

Reassignment to a new Medicare drug plan

Every fall, people who qualify for Extra Help are reassigned to a new Medicare drug plan for the next year if the plan they're enrolled in:

- Leaves Medicare.
- Raises its premium above the regional low-income premium subsidy benchmark amount for next year.

This reassignment makes sure people with Extra Help continue to pay a \$0 premium for their drug coverage. Reassignment is effective on January 1 of the following plan year.

Who will be reassigned?

People whose plans are leaving Medicare

Medicare will reassign people who get Extra Help for the next year if their Medicare drug or health plan with drug coverage is leaving Medicare as of December 31. These people will be reassigned into a new Medicare drug plan whether or not they joined their current plan on their own, or Medicare enrolled them in a plan.

People whose premium costs are increasing

Medicare will also reassign people who get Extra Help if both of these are true:

- Medicare enrolled them in their current Medicare drug plan.
- Their plan's premium will be above the regional low-income premium subsidy benchmark for the next year.

Plans with premiums of up to \$2 more than the regional low-income premium subsidy benchmark amount can choose to voluntarily waive that amount. If that happens, people in the plan won't be reassigned for the following plan year and will continue to pay \$0 for their monthly drug plan premium in their current plan. Plans that volunteer to waive this amount can't charge a premium for basic coverage to anyone who qualifies for Extra Help.

People who get Extra Help and choose to join an enhanced plan will have to pay part of the premium for that plan. An enhanced plan offers additional benefits beyond what Original Medicare offers. Because the premium subsidy that people with Extra Help get doesn't apply to the additional part of the benefit, people will have to pay a premium for the enhanced part.

Which plans will people be reassigned to?

- Generally, Medicare will reassign people to Medicare drug plans that have premiums at or below the regional low-income premium subsidy amount. This is true whether their current plan is a Medicare health plan with drug coverage or a Medicare drug plan that's leaving Medicare, or whether their drug plan premium is increasing. Medicare won't enroll people into Medicare drug plans from employers, offered in the territories, or that have enhanced benefit packages.
- If the company that offers a person's current plan offers another Medicare drug plan in the region with a \$0 premium, Medicare will reassign the person to that plan. If the company has more than one \$0 premium plan in the region, Medicare will randomly assign people among those plans.
- If the company that offers a person's current drug plan doesn't offer another Medicare drug plan in the region with a premium at or below the regional low-income premium subsidy amount, Medicare will randomly assign the person to another company's plan in the region with a premium at or below the regional low-income premium subsidy amount.

Can people switch plans?

Yes. People who qualify for Extra Help have opportunities to switch. To switch Medicare drug plans, people should call the new plan to find out how to join. Joining a new plan will automatically end their current Medicare drug coverage on the last day of the current month. Their new coverage would start the first day of the next month.

How does Medicare notify people who are being reassigned?

Medicare mails a notice on blue paper to people being reassigned by early November. There are 3 versions of the notice: 2 for people whose plans are leaving Medicare (CMS Product No. 11208 and CMS Product No. 11443), and 1 for people whose premiums are increasing above the regional low-income premium subsidy amount (CMS Product No. 11209).

The notice tells people which plan they'll be reassigned to, explains how to stay in their current Medicare drug plan, if available, and lets them know how to join a new plan. The notice also includes a list of plans in the region available for \$0 premium and their phone numbers. If people who get a notice don't tell their current plan that they want to stay in their current plan or join a new plan on their own by December 31, Medicare will reassign them to a new plan with coverage effective January 1.

Medicare will mail a second blue letter to people being reassigned, letting them know which drugs they currently use are included on their new plan's formulary (CMS Product No. 11496).

Example reassignment scenarios

Example 1: Medicare enrolled Mrs. Smith into XYZ Drug Plan a few years ago, and she still qualifies for Extra Help next year. Her current plan's premium will be \$5.72 over the regional low-income premium subsidy amount next year. She'll be reassigned to a new plan and continue to pay a \$0 monthly premium.

Example 2: Medicare enrolled Mr. Alonzo into LMN Drug Plan a few years ago, and he still qualifies for Extra Help next year. His current plan's premium will be \$1.50 over the regional low-income premium subsidy amount next year. Mr. Alonzo won't be reassigned to a new plan because the difference between the plan premium and the subsidy amount is less than \$2.00 and the plan voluntarily waived that amount.

Example 3: Medicare enrolled Mr. Banks into ABC Drug Plan a few years ago, and he still qualifies for Extra Help next year. He switched to QRX Drug Plan on his own. His plan premium will be \$4.75 over the regional low-income premium subsidy amount next year. Mr. Banks won't be reassigned, because he joined his current drug plan on his own. He'll have to pay \$4.75 (the difference between the plan premium and the subsidy amount) as his monthly premium, unless he joins a new plan. He'll get a letter on tan paper (CMS Product No. 11267) by early November to make sure he knows about the premium liability and understands his options.

Who won't be reassigned?

Medicare won't reassign people who:

- **Qualify for Extra Help who joined a plan on their own**, or switched to a different Medicare drug plan than the one Medicare enrolled them in, even if their premium increases above the regional low-income premium subsidy benchmark next year. If these people stay in their current plan, they'll have to pay the difference between the plan premium and the subsidy amount as their monthly premium. They'll get a letter on tan paper (CMS Product No. 11267) by early November to make sure they know about their premium liability and understand their options.
- **Were enrolled in a plan by an authorized representative**, like a State Pharmaceutical Assistance Program (SPAP), who asked Medicare not to reassign them.
- **Are enrolled in a qualified employer or union group plan.**

How can I help people?

Encourage people to enroll early. If people want to switch plans on their own, they should do so as soon as possible, so that their new drug plan can mail membership materials to them before their new coverage begins on January 1. This way, even if they go to the pharmacy on the first day their new coverage begins, they can get their prescriptions filled without delay.

For more information

People who have questions about Medicare drug coverage should visit [Medicare.gov](https://www.medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048. They should let Medicare know they got a notice on blue or tan paper when they call. Visit the Help with costs mailing page at [Medicare.gov/basics/forms-publications-mailings/mailings/help](https://www.medicare.gov/basics/forms-publications-mailings/mailings/help) for all the Extra Help notice samples.

Timeline of reassignment activities

October 1: Plans that will be leaving the Medicare Program notify their plan members.

Late October: Medicare performs reassignment (for an effective date of January 1) and notifies states and Medicare drug plans that will be gaining or losing plan members.

Mid-November: Medicare mails all 3 versions of the reassignment notice on blue paper to people who will be reassigned to a new Medicare drug plan.

Mid-November: Medicare mails a tan letter to people who won't be reassigned, but who will face a premium liability in their current Medicare drug plan next year.

Early December: Medicare mails a second blue letter to all people who are being reassigned, letting them know which drugs they currently use are included on their new plan's formulary.

December 31: Last day for people who qualify for reassignment to switch plans, or notify their current plan that they want to stay, before Medicare's reassignment takes effect.

January 1: Coverage in their new plan begins for people who have been reassigned.



Medicare

You have the right to get Medicare information in an accessible format, like large print, braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [Medicare.gov/about-us/accessibility-nondiscrimination-notice](https://www.medicare.gov/about-us/accessibility-nondiscrimination-notice), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

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