

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Drug and Health Plan Choice  
7500 Security Boulevard, Mail Stop C4-22-04  
Baltimore, Maryland 21244-1850



**CENTER FOR DRUG AND HEALTH PLAN CHOICE**

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DATE: November 10, 2008

TO: Current and Future Medicare Advantage Organizations and Part D Sponsors

FROM: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

RE: PDP Contracts that are Non-Renewing or Undergoing a Service Area Reduction (SAR) for 2009

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The purpose of this communication is to inform you that there are several Prescription Drug Plan (PDP) sponsors that have a contract that is non-renewing or undergoing a Service Area Reduction (SAR) effective January 2009. These include sponsors that will be experiencing one of the following types of contract or plan changes for 2009:

- Voluntary (sponsor-initiated) or involuntary (CMS-initiated) non-renewal of the entire contract for the full service area
- Voluntary (sponsor-initiated) or involuntary (CMS-initiated) non-renewal of only certain portions of the service area under the contract which is considered a SAR
- Voluntary (sponsor-initiated) non-renewal of only certain plans in one or more regions
- Conversion of a contract from offering individual-market products to only offering employer-sponsored products which is considered a SAR

All beneficiaries who will need to select a new plan for 2009 as a result of these changes were notified with a personalized letter which was sent either by the sponsor (voluntary situations) or CMS (involuntary situations) in early October. These beneficiaries have a special election period (SEP) to elect a new plan beginning October 1, 2008, and lasting through January 31, 2009. During this timeframe, individuals may choose to prospectively enroll in a new plan with the following possible effective date options:

Request Received	Effective Date Options
October 2008	November 1 December 1 January 1
November 2008	December 1 January 1
December 2008	January 1
January 2009	February 1

While there will be additional contract changes for 2009 due to contract consolidations or novations, affected beneficiaries do not need to select a new plan, and therefore do not have an SEP. These beneficiaries will be notified of any changes to their benefits in 2009 through the Annual Notice of Change mailing.

A table listing the plan and contract changes that will trigger valid SEPs is displayed on the following page. This table provides information about these PDPs including the contract name, the contract number, the state in which the plan will no longer be offered, and the number of beneficiaries currently enrolled in the plan. You may use this information to assist you in determining the appropriateness of SEP requests for beneficiaries wishing to enroll with your organization.

If you have questions about PDPs that are non-renewing, novating, consolidating or undergoing a SAR of their contract with CMS, please contact Rochel Schnur at 410-786-4691 or [rochel.schnur@cms.hhs.gov](mailto:rochel.schnur@cms.hhs.gov).

Thank you.

## 2009 Non-Renewals and Service Area Reductions (SAR) Triggering SEPs

<b>Contract #</b>	<b>Name</b>	<b>Enrollment (As of 9/19/2008, individual market plans only)</b>	<b>Reason</b>	<b>Affected States</b>
S1516	Mennonite General Hospital, Inc.	11 beneficiaries	Voluntary non-renewal of entire contract (as a result of late bid submission)	Puerto Rico
S3230	Medical Mutual of Ohio	319 beneficiaries	Conversion to only offering employer-sponsored products	Ohio
S3389	UPMC	606 beneficiaries	Voluntary non-renewal of enhanced alternative plan (UPMC for Life PDP Enhanced)	Pennsylvania, West Virginia
S4749	Preferred Health, Inc.	8 beneficiaries	Voluntary non-renewal of entire contract	Puerto Rico
S4802	Sterling Life Insurance Company	6817 beneficiaries	Voluntary non-renewal of enhanced alternative plan (Sterling Rx Plus)	All
S5557	Fox Insurance Company	7953 beneficiaries	CMS initiated non-renewal due to expiring licensure waivers in 3 regions	New Hampshire, Maine, Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, Wyoming, Oregon, and Washington
S5588	Paramount Insurance Company	6627 beneficiaries	Conversion to only offering employer-sponsored products	Ohio
S5644	RxAmerica, LLC	3565 beneficiaries	Voluntary non-renewal of enhanced alternative plan (Advantage Allegiance Plan)	All
S5902	Presbyterian Insurance Company, Inc.	1880 beneficiaries	Voluntary non-renewal of entire contract	New Mexico
S5975	ODS Health Plan, Inc.	807 beneficiaries	Conversion to only offering employer-sponsored products	Oregon, Washington