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DATE: October 8, 2008

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Thomas Hutchinson, Director, Medicare Plan Payment Group

SUBJECT: REISSUED GUIDANCE - Activation of Premium Withholding for 2009 Plan Enrollments

CMS is asking your help to remind beneficiaries who switch plans or who are enrolling for the first time that they may not see their premiums immediately withheld from their Social Security benefits due to the routine processing timeframe required for activation of premium withholding upon beneficiary selection of this payment option. Requests for premium withholding for the 2009 enrollment period are expected to be activated within the first quarter of 2009.

Please ensure that beneficiaries are advised of this timeframe when they request premium withholding, switch plans, or call with questions about a delay in premium withholding activation. Suggested language for customer service scripts is attached. Furthermore, having an effective beneficiary communication strategy that addresses this issue may reduce inquiries to plan customer service call centers.

Questions that your plan is unable to resolve related to premium withholding should be referred to 1-800-MEDICARE (1-800-633-4227).