

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



Center for Beneficiary Choices
Medicare Plan Payment Group

Date: May 26, 2006

To: All Part D Plan Sponsors

From: Abby L. Block, Director
Center for Beneficiary Choices

Subject: LIS Benchmark Calculations

CMS has received inquiries concerning the 2007 calculation of the regional low-income benchmark amount used to determine the low-income subsidy. We are currently considering an option that will allow benchmarks to be calculated in a manner that will further limit any facilitated changes in LIS beneficiary enrollment. Plans should be preparing bids that can be uploaded quickly should this option regarding LIS benchmarks be adopted. CMS appreciates the efforts of Part D Sponsors to remain flexible in their bid preparation to assure the best possible coverage for our LIS-enrolled beneficiaries.

Further Information

If you have questions, please contact Meghan Elrington at (410) 786-8675.