

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



CENTER FOR BENEFICIARY CHOICES

Date: December 22, 2006

Memorandum to: All Part D Sponsors

Subject: Clarification of Appendix 2 contained in Reconciling CMS Low Income Subsidy (LIS) Status and “Best Available Data” memorandum dated 12/06/2006

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

It has come to our attention that we did not address 2006 premiums in Appendix 2 of the 12/06/2006 “Best Available Data” memorandum. We have updated Appendix 2, 2006 Model Notice of Error in Premiums and Cost-Sharing with information regarding past premiums, and have attached it to this notice. Plans wishing to use this updated model may do so.

For questions concerning the best available data policy and reconciling LIS cost-sharing, please contact Deb Larwood at 410-786-9500 or Greg Dill at 312-353-1754.

Attachment II

2006 Model Notice of Error in Premiums and Cost Sharing

{Plans: This letter is to inform a member of his/her new premiums and cost-sharing, effective 1/1/2007. You will use this model to notify any members you had defaulted in 2006 to a lower cost-sharing status, and for whom you never received confirmation from either the State Medicaid Agency or CMS that the member is Medicaid or LIS eligible. The marketing material code for this model notice is 7007. If you use this model notice without modification, CMS will waive the five-day waiting period associated with file and use pieces.}

[Member#-if member # is SSN, only use last 4 digits]

[RxID]

[RxGroup]

[RxBin]

[RxPCM]

<Date>

Dear <Name of Member>:

During 2006, <Plan name> has been charging you a copayment of [\$0]/[up to \$1 or \$3]/[up to \$2 or \$5]/[15%] for each prescription you filled because we received information earlier this year that you might qualify for extra help with your prescription drug costs. However, to date the Medicare Program has not confirmed that you qualify for extra help.

Because <Plan name> has not been able to confirm that you qualify for extra help, your Medicare prescription drug costs are changing. Beginning January 1, 2007, you will pay:

- [insert plan premium] per month for your <plan name> premium,
- [insert deductible amount] for your yearly prescription drug plan deductible, and
- [insert amount] when you fill a prescription covered by <plan name>.

If you believe you still qualify for Medicaid, please call our Member Services at <phone number><days and hours of operation>. TTY users should call <TTY number>. We may ask to you send us proof of your Medicaid eligibility.

The Medicare Program requires <plan name> to charge you for past premiums you should have paid as a member of our plan. <Plan name> will send you a notice telling you what you owe for past premiums.

If you don't qualify for Medicaid, belong to a Medicare Savings Program, or receive Supplemental Security Income (SSI) benefits, you may still qualify for extra help, but you must apply to find out. If you haven't already filled out an application for extra help, you can get an application or apply over the phone by calling Social Security at 1-800-772-1213, or apply online at www.socialsecurity.gov on the web. TTY users should call 1-800-325-0778.

If you have any other questions, please call our Member Services at <phone number><days and hours of operation>. TTY users should call <TTY number>.

Thank you.