



MEMORANDUM

TO: All Part D Sponsors

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

SUBJECT: Date for Issuance of the Part D Low-income Subsidy (LIS) Rider - Clarification

DATE: September 4, 2007

With this memorandum, we are further clarifying the timeframes for issuance of the LIS riders to enrolled members eligible for the low-income subsidy. In letters dated July 25th and August 17th of this year, we had indicated (in conflict with our 2008 call letter) that regardless of whether organizations elect to use the combined Annual Notice of Change (ANOC) /Evidence of Coverage (EOC) or stand-alone ANOC and EOC documents, they must mail LIS riders so that current enrollees receive them by October 31, 2007. Based on comments we have received, we have reconsidered this clarification.

Although we believe it is important for LIS enrollees to receive the LIS rider as early as possible so that they understand their benefits in the following year, we agree that receiving the LIS rider in the absence of the EOC can also create confusion, as the rider is intended to supplement the EOC. Therefore, we clarify that organizations that choose not to use the combined ANOC/EOC option may mail the LIS rider consistent with the timing of the release of the EOC. Accordingly, the EOC and LIS rider must be mailed to current enrollees under the stand-alone option by January 31, 2008.

We have updated our marketing training slides to reflect this change. Further, in order to ensure that these slides will be available to organizations over the next several months, we are posting them on the Part C and Part D marketing pages located at:
<http://www.cms.hhs.gov/ManagedCareMarketing> or
http://www.cms.hhs.gov/PrescriptionDrugCovContra/07_RxContracting_Marketing.

We regret any confusion this has caused. If you have any questions on this letter, please contact Chevell Thomas at (410) 786-1387. Thank you for your help in ensuring the success of the Part D program.