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**DATE:** January 5, 2012

**TO:** Medicare Advantage Organizations, Medicare Advantage-Prescription Drug Organizations, and Prescription Drug Plan Sponsors

**FROM:** Arrah Tabe-Bedward  
Acting Director, Medicare Enrollment and Appeals Group

**SUBJECT:** Reinstatement Based on “Good Cause” Determinations for Failure to Pay Plan Premiums or the Part D-IRMAA

In accordance with regulations at 42 CFR §§422.74(d), 423.44(d) and 423.44(e), individuals disenrolled from their plans for failure to pay plan premiums or the Part D income related monthly adjustment amount (Part D-IRMAA) may be reinstated if the individual shows “good cause” for failing to pay the required premiums or the Part D-IRMAA. Only individuals who were disenrolled for failure to pay plan premiums or the Part D-IRMAA with disenrollment effective dates in 2012 and beyond are eligible to request reinstatement based on “good cause.”

Plans are required to follow the updated Enrollment and Disenrollment guidance, released on November 16, 2011, with respect to notifying individuals of their opportunity to request reinstatement if they were disenrolled because they failed to pay plan premiums or the Part D-IRMAA (§§ 50.2.6, 50.3.1). Plans are also required to follow the guidance outlined in §60.3.4 of Chapter 2 of the Medicare Managed Care Manual and §60.3.4 of Chapter 3 of the Medicare Prescription Drug Benefit Manual regarding requests for reinstatement based on “good cause.”

As a reminder to plans, CMS will be accepting requests for “good cause” reinstatement from beneficiaries, making the determinations as to whether the individual meets the criteria for reinstatement, obtaining payment status information from plans and effectuating the reinstatement if all the owed amounts are paid to the plan and to CMS (if applicable). Plans must refer any requests for reinstatement for “good cause” to 1-800-MEDICARE.

CMS and plans will use the Complaint Tracking Module (CTM) to communicate regarding favorable “good cause” determinations, reinstatement determinations and timely payment of the owed amounts. Please follow Scenario V in the CTM Standard Operating Procedures issued on September 30, 2011. Requests for “good cause” reinstatements are excluded from the timeliness requirements related to closing complaints and from plan performance metrics. For more information, please see the December 22, 2011, HPMS Memorandum titled “Complaint Tracking Module (CTM) Casework Reminders and Updates to CTM Exclusion Criteria”.

We recognize that plans may require processing time in order to verify payment by the bank and credit the payment to the individual's account. To provide adequate protections for individuals who make timely payment of their owed amounts, plans have five calendar days beyond the individual's "good cause" reinstatement payment deadline in which to process the payment and notify CMS via CTM. Plans should contact their Account Manager for assistance if an individual is reinstated and the payment made for reinstatement is subsequently declined by the bank.

Reinstatement for "good cause" will cancel the involuntary disenrollment and will have the effect of retroactively enrolling the individual, such that there is no break in coverage, so long as the individual continues to be eligible for enrollment in the plan. Plans will receive Transaction Reply Code (TRC) 713 notifying them of reinstatements.

Individuals who do not receive favorable determinations or pay the full amounts owed within the required timeframe will remain disenrolled from the plan and can make a new enrollment request during their next valid election period.

The "good cause" reinstatement process does not change the requirements or policies for other types of reinstatement situations. Please see Section 60 of the Chapter 2 or Chapter 3 Enrollment and Disenrollment guidance for additional information.

#### **For Assistance**

Please refer to the Frequently Asked Questions document that is attached to this memorandum. For policy questions regarding reinstatement for "good cause," please contact Jeff Maready at (415) 744-3523/ [Jeffrey.maready@cms.hhs.gov](mailto:Jeffrey.maready@cms.hhs.gov) or Adrienne Carter at (303) 844-5810/ [Adrienne.carter@cms.hhs.gov](mailto:Adrienne.carter@cms.hhs.gov). For all other reinstatement issues, please contact your CMS Account Manager.

Attachment

## **Frequently Asked Questions – Reinstatement for “Good Cause”**

### **January 4, 2012**

#### **1. I was disenrolled, when do I have to make a request to get my coverage back?**

If you were disenrolled for failure to pay your premiums or the Part D-IRMAA and you believe that you have a good reason for not paying timely, you must call Medicare and request to get your coverage back no later than 60 days from the date of disenrollment. To make a request to get your coverage back, you need to call Medicare at 1-800-633-4227 (or TTY: 1-877-486-2048).

#### **2. I received a letter about my disenrollment because I did not pay my premiums – Can I get back into my plan?**

You have 60 days from your disenrollment date to request to get back in your plan. In order to get your coverage back, you must have a good reason for not paying timely, such as an unusual and unforeseen situation. In addition, you will have to pay the premiums you already owe the plan PLUS 3 months of premiums for the months after you were disenrolled. To make a request to get your coverage back, you need to call Medicare at 1-800-633-4227 (or TTY: 1-877-486-2048).

#### **3. I received a letter that said/I was told that I didn’t qualify to get back into my plan (reinstatement). I disagree – who can I complain to?**

Please call Medicare at 1-800-633-4227 (or TTY: 1-877-486-2048).

#### **4. I got a letter from Medicare and a letter from the plan saying I have to make payment to get back into my plan. Who do I pay?**

Plan premiums get paid to the plan. Follow the information on the letter you received from your plan to send in your owed plan premiums.

The Part D-IRMAA gets paid to Medicare (or the Railroad Retirement Board if you are direct billed by them for the Part D-IRMAA). You should have received a letter from Medicare (or RRB) telling you how much you owe and where to send in your payment.

If you have to pay Medicare, make your check payable to CMS Medicare Insurance. You can send in your owed amounts to: Medicare Premium Collection Center; PO Box 790355, St. Louis, MO 63179-0355. Be sure to write your Medicare number and Part D-IRMAA on the check so your payment can be correctly applied to your account.

If you have to pay the Railroad Retirement Board, you can call 1-877-772-5772 to speak to them directly about making your payment.

*[Individuals who pay Railroad Retirement Board for the Part D-IRMAA have the BIC “letter” at the beginning of the HICN.]*

#### **5. Can I pay the Part D-IRMAA amount to my plan?**

No. You must send your Part D-IRMAA payment directly to Medicare and it must be received by the deadline in order for you to get back into your plan.

### **6. I have the Part D-IRMAA. Why can't I send my payments to one place?**

Your plan premium is paid directly to the plan. The Part D-IRMAA, by law, must be paid to Medicare (or Railroad Retirement Board if you are direct billed by them for the Part D-IRMAA.)

### **7. Where do I send payment for RRB?**

Please contact the Railroad Retirement Board at 1-877-772-5772 to speak to them directly about making your payment.

### **8. When do I have to pay in order to get my coverage back?**

Individuals who have received a favorable determination to get their coverage back will be reinstated into their plan only if they make full payment of all owed amounts within 3 months of their date of disenrollment. You should have received a letter from Medicare telling you of the favorable decision, and you should have received a letter from your plan telling you how much to pay and by when.

Plans may use the following chart to determine payment due date:

Disenrollment Date	Payment Due Date
January 1	March 31
February 1	April 30
March 1	May 31
April 1	June 30
May 1	July 31
June 1	August 31
July 1	September 30
August 1	October 31
September 1	November 30
October 1	December 31
November 1	January 31
December 1	February 28 (29 if leap year)

Based on our records, you were disenrolled on [date]. Your payment is due <insert proper payment due date>.

### **9. What happens if I do not pay my owed amounts in time?**

You'll remain disenrolled from your plan and may have to pay a Part D late enrollment penalty if you re-enroll later.

### **10. Can I file a grievance about being disenrolled?**

Yes. You can file a grievance about being disenrolled.

### **11. I paid all my plan premium amounts. Why can't I get my coverage back?**

Once you are disenrolled for not paying your premiums, you can get your coverage back only if Medicare says you qualify for reinstatement for "good cause" **AND** if you pay all your owed amounts within the required timeframe. Just paying your premiums to your plan after you are disenrolled will not allow you to get your coverage back with your plan.

If you also owe Part D-IRMAA, you have to pay all those owed amounts in addition to your plan premiums AFTER receiving a favorable decision by Medicare to get your coverage. Both the plan premiums and the Part D-IRMAA payments must be made within 3 months of your disenrollment date in order to get back into your plan.

**12. I was disenrolled because I have trouble paying my bills. Can you waive amounts owed because of hardship? Is there anything I can do to keep coverage?**

By law, plans are not able to waive premiums. If you are having trouble paying your plan premiums, there are programs that can help cover certain Part D costs, such as Extra Help and State Pharmaceutical Assistance Programs. Please contact Medicare at 1-800-633-4227 (TTY: 1-877-486-2048) to get more information about these programs.