

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



## **CENTER FOR BENEFICIARY CHOICES**

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**DATE:** November 28, 2006

**TO:** Medicare Prescription Drug Plans (PDP) Sponsors That Qualify for Auto/Facilitated Enrollment in 2006 and/or 2007

**FROM:** Anthony J. Culotta  
Director, Medicare Enrollment and Appeals Group

**SUBJECT:** Replacement for November 24, 2006 Guidance: New Model Notice for Disenrollments Due to Re-Assignment to Another PDP Contract, and Updated Model Notices to Confirm Auto/Facilitated Enrollments

The purpose of this letter is to provide you with a new model disenrollment notice and updated model confirmation notices, as described below. There were minor errors in the updated auto/facilitated enrollment confirmation notices, which are corrected in the attachments to this memo. Please disregard the versions in the November 24 memo.

### New Model Disenrollment Notice, Exhibit 10b

CMS' PDP Guidance on Eligibility, Enrollment and Disenrollment requires that PDPs send a disenrollment confirmation notice, but the existing model notice, Exhibit 10a, is not appropriate for situations involving the random re-assignment of LIS beneficiaries based on premium changes. Therefore, we are providing a new model notice, Exhibit 10b, for use by PDPs whose LIS beneficiaries are being re-assigned to a different PDP sponsor.

Please note that the new Exhibit 10b would not apply to beneficiaries re-assigned to another plan offered by the same PDP sponsor. In those situations, only a confirmation of enrollment into the new PDP is required. Please see CMS' guidance dated September 22, 2006, "Reassignment of LIS-Eligible PDP Members Effective January 1, 2007," for the model confirmation notice that plans send their newly re-assigned enrollees.

### Updated Model Notices (Exhibits 24 and 25)

We are also updating Exhibits 24 and 25 of the PDP Guidance on Eligibility, Enrollment and Disenrollment. These notices confirm auto- and facilitated enrollments, respectively. The updates reflect primarily changes in cost-sharing for low-income subsidy in 2007.

PDPs should begin using these updated notices in January, when the new cost-sharing is effective.

In addition, the facilitated enrollment notice (Exhibit 25) is being updated to establish that the following sentence in the first paragraph is mandatory except in limited circumstances: “If you want coverage to begin earlier, you must tell us by <last day of month that is two months earlier than effective date>.” Please note that this sentence does not have to be included in notices confirming facilitated enrollments that will appear on the special Transaction Reply Report (TRR) in late November 2006, and in limited instances in which there is a retroactive effective date.

We appreciate your continued efforts to ensure low-income Medicare beneficiaries have timely, effective access to Medicare prescription drug coverage. If you have any questions, please contact Sharon Donovan at (410) 786-2561, or [Sharon.Donovan@cms.hhs.gov](mailto:Sharon.Donovan@cms.hhs.gov).

Attachments (3)

**Exhibit 10b – PDP Notice to Confirm Disenrollment Due to Re-Assignment to a Different PDP Contract**

Updated November 28, 2006

<Date>

Dear <Name of Member>:

You are getting this letter because you are being disenrolled from our plan and enrolled in a different Medicare Prescription Drug plan beginning January 1, 2007. Medicare has taken this action for you to make sure that you don't pay more in premiums next year. You should have received a letter from Medicare on blue paper that tells you about your new plan. You should also receive a letter from your new plan. **Beginning January 1, 2007, the new plan will cover your prescription drugs. <PDP Name> will not cover any prescription drugs you receive after that time.**

If you would prefer, you may stay in <PDP Name>. Please keep in mind that, if you stay with <PDP Name>, extra help will not cover the full cost of your premium, and you will be responsible for paying the difference. If you want to stay in <PDP Name> or if you have questions, please contact us at <toll-free number> <days and hours of operation>. TTY/TDD users should call <toll-free TTY number>.

You can also switch to a different Medicare drug plan. For information about the Medicare Plans available in your area, call 1-800-MEDICARE (1-800-633-4227), 24 hours per day, 7 days per week. TTY/TDD users should call 1-877-486-2048.

Thank you for your attention.

## **Exhibit 24: PDP Model Notice to Confirm Auto-Enrollment**

Referenced in section 30.1.4(D), updated November 28, 2006

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

**[RxID]**

**[RxGroup]**

**[RxBin]**

**[RxPCN]**

Dear <insert member name>:

You are getting this letter because Medicare is enrolling you in our <PDP name>. Your coverage begins <effective date>. Medicare is also mailing you a yellow letter, which you may have already received, to tell you about this change.

**[Optional language:** You can use this letter as proof of your prescription drug coverage when you go to the pharmacy until you get your Member ID card from us.]

Because you qualify for extra help with your prescription drug costs, you will pay:

- <plan premium less premium assistance for which individual is eligible> per month for your <PDP name> premium,
- \$0 for your yearly prescription drug plan deductible,
- [insert copay amount \$0, up to \$1 and \$3.10, up to \$2.15 and \$5.35 copayments] when you fill a prescription.

Remember, if Medicaid used to pay for your prescription drugs, this will no longer be the case. Some state Medicaid programs may cover certain prescriptions that won't be covered under Medicare's prescription drug coverage. But, even if your state Medicaid program covers a few prescriptions, your Medicare prescription drug coverage will be far more comprehensive. To continue to have prescription drug coverage, you must be enrolled in a Medicare prescription drug plan, like <PDP name>.

You are not required to be in our Medicare prescription drug plan. If you want to choose a different Medicare prescription drug plan, simply call that plan to find out how to enroll with them. If you already have other prescription drug coverage that is as good as Medicare's (also referred to as "creditable coverage"), you may not need Medicare prescription drug coverage. You should check to make sure your other coverage is creditable. If you decide not to be enrolled and don't have other creditable coverage, you may have to pay a penalty for Medicare prescription drug coverage at a later time.

If you don't want Medicare prescription drug coverage, call our Member Services Department at <phone number>. TTY users should call <TTY number>. We are open <insert days/hours of operation, and if different, TTY hours of operation>. You will need

to tell us you don't want Medicare prescription drug coverage. You can also call 1-800-MEDICARE (1-800-633-4227) which is available 24 hours a day, 7 days a week) or go to Medicare's website at [www.medicare.gov](http://www.medicare.gov). TTY users should call 1-877-486-2048.

## Exhibit 25: PDP Model Notice to Confirm Facilitated Enrollment

Referenced in section 30.1.5(D), updated November 28, 2006

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

[RxID]

[RxGroup]

[RxBin]

[RxPCN]

Dear <insert member name>:

You are getting this letter because Medicare is enrolling you in our <PDP name>. Your coverage begins <effective date>. Medicare is also mailing you a green letter, which you may have already received, that tells you about this enrollment. *[The following sentence is mandatory except for facilitated enrollments that appear on the Transaction Reply Report (TRR) in November 2006, or when the facilitated enrollment effective date is retroactive.]* If you want coverage to begin earlier, you must tell us by <last day of month that is two months earlier than effective date>.

**[Optional language:** You can use this letter as proof of your prescription drug coverage when you go to the pharmacy until you get your Member ID card from us.]

Because you qualify for extra help with your prescription drug costs, you will pay:

- <plan premium less premium assistance for which individual is eligible> per month for your <PDP name> premium,
- [insert \$0 or \$53 for your yearly prescription drug plan deductible,
- [insert copay amount: up to \$2.15 and \$5.35 copayments or 15% coinsurance] when you fill a prescription.

You are not required to be in our Medicare prescription drug plan. If you want to choose a different Medicare prescription drug plan, simply call that plan to find out how to enroll with them. If you already have other prescription drug coverage that is as good as Medicare's (also referred to as "creditable coverage"), you may not need Medicare prescription drug coverage. You should check to make sure your other coverage is creditable. If you decide not to be enrolled and don't have other creditable coverage, you may have to pay a penalty for Medicare prescription drug coverage at a later time.

If you don't want Medicare prescription drug coverage, call our Member Services Department at <phone number>. TTY users should call <TTY number>. We are open <insert days/hours of operation, and if different, TTY hours of operation>. You will need to tell us you don't want Medicare prescription drug coverage. You can also call 1-800-MEDICARE (1-800-633-4227) which is available 24 hours a day, 7 days a week) or go to Medicare's website at [www.medicare.gov](http://www.medicare.gov). TTY users should call 1-877-486-2048.