

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C5-19-16
Baltimore, Maryland 21244-1850



Center for Beneficiary Choices

Date: August 22, 2006

To: Part D Plan Sponsors

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

Subject: Guidance on Premium Withhold System Issue

Today CMS is sending guidance to Medicare beneficiaries who were affected by a processing error that stopped withholding of their Medicare Prescription Drug Plan premium payments from their monthly Social Security benefits payment. Beneficiaries in 191 plans were affected. Due to this error, those beneficiaries received a refund check, or additional money via direct deposit, from the Social Security Administration for premiums withheld to date.

CMS is working diligently to correct this error and to determine how the refunded amounts will be recouped. We will provide information to you shortly. We also are working to restart withholding from the affected beneficiary's monthly Social Security benefits.

Our letter to beneficiaries suggests that they contact 1-800-MEDICARE with questions regarding this issue. However, some beneficiaries may elect to contact their plan. To assist your Customer Service Representatives in responding to calls, we will be sending you a model script that provides key information that you can communicate to callers.

For your convenience, we have attached a copy of the letter that was mailed to the beneficiaries.

We will be hosting a plan call tomorrow (Wednesday, August 23) at Noon (EDT) to discuss this issue. Please check HPMS for call-in information. It will include a list of plans with affected beneficiaries.

If you have any questions about this letter, please contact Bill Bucksten at William.Bucksten@cms.hhs.gov.

Thank you for your attention to this matter and please accept our apologies for any inconvenience.