

Auto-Enrollment of State Pharmacy Assistance Program Enrollees

Q. Can states auto-enroll participants in their State Pharmacy Assistance Programs (SPAPs) into a specific discount drug card and transitional assistance (TA)?

A. If a state is the individual's authorized representative (according to state law), then the state may auto-enroll their SPAP members into a specific discount card and obtain TA. The auto-enrollment process must allow a beneficiary the choice to opt out prior to being auto-enrolled with a sponsor. If the state is not the individual's authorized representative, the state may assist by facilitating enrollment of its SPAP members with a card sponsor.

State as Authorized Representative

If the state is the individual's authorized representative (i.e., the state has the legal authority under state law to apply for transitional assistance on the individual's behalf), the state may complete the form and sign the form on behalf of the individual and return this to the drug card sponsor.

If the state is the individual's authorized representative, the state may also complete this enrollment via electronic means, i.e., by sending a single file to the sponsor that contains the required information for its members. (These required elements are highlighted in our guidance regarding the enrollment form.) We generally do not allow the use of an electronic signature/electronic enrollment of individuals (except in the case of the exclusive cards) for purposes of applying for TA because of concerns about fraudulent enrollment. However, these concerns are minimized in this situation, because the state would be applying on behalf of only those SPAP members who appear to qualify for TA, and the state would also be able to verify the information about these individuals.

As the beneficiary's authorized representative, the state will be attesting to the truth and accuracy of the information they provide on behalf of their members. Therefore, the state should include to the sponsor a statement attesting to the truth of the information provided.

States that choose to auto-enroll individuals must send a notice to their members before the auto-enrollment occurs and offer these members the ability to "opt out" or decline this enrollment. The notice shall include the following information:

- What is happening, how, and why;
- What the consequences are (i.e., enrolling in this card means the individual cannot enroll in another card during the year);
- Tell the beneficiary if enrollment in the card is required for participation in the SPAP;
- How the individual can opt out and in order to obtain discount card/TA benefits they must enroll in a new card;
- That individuals enrolled in a managed care plan that offers an exclusive card will not be enrolled in this fashion, since they can only enroll in the card offered by the managed care plan;
- Whether the individual is responsible for paying any applicable annual enrollment fee.

Where applicable, states should inform individuals of the availability of drug card through sponsors that also serve American Indians/Alaska Natives or individuals in a long term care facility. CMS encourages states to continue SPAP membership to beneficiaries enrolled in Medicare managed care plans, or for those who use long-term care pharmacies or Indian pharmacies.

In those situations in which a beneficiary is auto-enrolled but is not fully aware that s/he was auto-enrolled and would like to enroll in another card, the sponsor would have to disenroll the beneficiary, and the beneficiary would then be able to apply in another drug card. The sponsor would have to submit a specific code so that the beneficiary is eligible for a Special Election Period. Thus, the State would need to communicate the necessary information to the card sponsor so that this action could be taken. However, CMS strongly encourages States to provide clear and adequate notice to their SPAP members so that these types of errors are kept to a minimum.

A State may auto-enroll their SPAP members in those situations in which the state has a agreement with one or more particular cards. Where there is more than one sponsor, the state should allow the beneficiary to choose their preferred card or indicate how that card will be chosen for the beneficiary.

State is Not the Authorized Representative

If the state is not the individual's authorized representative, it may send a letter to its members seeking authorization back from the beneficiary to apply for TA on the member's behalf or it may take other appropriate steps to obtain this authorization (as provided for under state law) and then proceed with auto-enrollment as described above.

Otherwise, the state may facilitate enrollment in a particular drug card and transitional assistance sponsor by completing that sponsor's enrollment form with the necessary information and mailing the form to their SPAP members, who would then verify the accuracy of their information, sign the form, and return the form to the state or the drug card sponsor.