



Information Partners Can Use on:

RE-ASSIGNMENT

Medicare Prescription Drug Coverage

Revised October 2008

In the fall of 2008, Medicare will re-assign certain people who qualify for extra help into new Medicare Prescription Drug Plans. Medicare will re-assign certain people who qualify for extra help as of January 1, 2009 if they are currently enrolled in a Medicare Prescription Drug Plan that meets one of these conditions:

- The plan is leaving the Medicare Program.
- The plan's premium will be above the regional low-income premium subsidy amount in 2009.

This tip sheet provides important information to help you counsel people affected by re-assignment.

Who is being re-assigned?

People Whose Plans Are Leaving the Medicare Program

Medicare will re-assign people who get extra help if their Medicare Prescription Drug Plan is leaving the Medicare Program as of December 31, 2008. These people will be re-assigned regardless of whether they joined the Medicare Prescription Drug Plan on their own, or Medicare enrolled them in the plan.

People Whose Premium Costs Are Increasing

Medicare will also re-assign people who get extra help if all of the following are true:

- They qualify for the full 100% premium subsidy as of January 1, 2009.
- Their Medicare Prescription Drug Plan premium will be above the regional low-income premium subsidy amount for 2009.
- Medicare enrolled them in the plan.

Medicare will re-assign people if their 2009 premium will be above the regional low-income premium subsidy amount. This ensures that all people who qualify for the full premium subsidy pay no premium in a basic Medicare Prescription Drug Plan.



Who won't be re-assigned?

- Medicare won't re-assign people who qualify for the partial premium subsidy unless their plan is leaving the Medicare Program. People who qualify for the partial premium subsidy whose premium costs are increasing will pay a percentage of the premium subsidy amount, plus the difference by which the plan premium exceeds the subsidy amount.
- Medicare won't re-assign people who qualify for the full premium subsidy who joined plans on their own or switched to different Medicare Prescription Drug Plans than the ones Medicare enrolled them in, even if their premiums increase above the regional low-income premium subsidy amount in 2009. If these people stay in their plans, they will have to pay the difference between the plan premium and the subsidy amount as their monthly premium.
- Medicare won't re-assign people who were enrolled in a plan by authorized representatives, such as State Pharmaceutical Assistance Programs (SPAPs).

Example Re-Assignment Scenarios

Example 1: Mrs. Smith was auto enrolled into XYZ Drug Plan back in 2007, and she still qualifies for the full (100%) premium subsidy in 2009. Her plan premium will be \$5.72 over the regional low-income premium subsidy amount in 2009. She will be re-assigned, and she will continue to pay a \$0 monthly premium.

Example 2: Mr. Alonzo was facilitated enrolled into LMN Drug Plan in 2008, and he still qualifies for the full (100%) premium subsidy in 2009. His plan premium will be \$1.50 over the regional low-income premium subsidy amount in 2008. Mr. Alonzo will be re-assigned into a new plan and a pay \$0 monthly premium.

Example 3: Mr. Banks was auto enrolled into ABC Drug Plan in March 2007, and he still qualifies for the full 100% premium subsidy in 2009. He switched to QRX Drug Plan on his own in August 2008. His plan premium will be \$2.75 over the regional low-income premium subsidy amount in 2009. Mr. Anderson won't be re-assigned, because he joined his current drug plan on his own. He will have to pay \$2.75 (the difference between the plan premium and the subsidy amount) as his monthly premium unless he joins a new plan.



Which plans will people be re-assigned to?

Generally, Medicare will re-assign people to 2009 Medicare Prescription Drug Plans that have premiums at or below the regional low-income premium subsidy amount. Medicare won't enroll people into Medicare Prescription Drug Plans sponsored by employers, offered in the territories, or with enhanced benefit packages.

- If the company (sponsor organization) that offers a person's current drug plan offers another Medicare Prescription Drug Plan in the region with premiums at or below the regional low-income premium subsidy amount, Medicare will re-assign the person to that plan. If the company has more than one of these plans in the region, Medicare will randomly assign people among those plans.
- If the company (sponsor organization) that offers a person's current drug plan doesn't offer another Medicare Prescription Drug Plan in the region with premiums at or below the regional low-income premium subsidy amount, Medicare will randomly assign the person to another plan in the region with a premium at or below the low-income premium subsidy amount.

Can people switch plans?

Yes. All people who qualify for extra help can switch plans any time for coverage effective the first day of the next month.

To switch Medicare drug plans, people should call the new plan to find out how to join. Joining a new plan will end their current Medicare drug plan coverage. Their new plan coverage would start the first day of the next month.

How will Medicare notify people who are being re-assigned?

By early November, Medicare is mailing a notice on blue paper to people affected by the re-assignment. There are two versions of the notice: one for people whose plans are leaving the Medicare Program (CMS Publication No. 11208), and one for people whose premiums are increasing (CMS Publication No. 11209).

The notice tells people which plan they will be re-assigned to, explains how to stay in their current Medicare Prescription Drug Plan if available, and lets them know how to join a new plan. The notice also includes a list of plans in the region with premiums at or below the regional low-income premium subsidy amount and their telephone numbers.

If people who get a notice don't tell their current plan that they want to stay or join a new plan on their own by December 31, 2008, Medicare will re-assign them into a new plan with coverage effective January 1, 2009.



What else do people need to know?

Encourage people to enroll early. If people want to switch plans on their own, they should do so as soon as possible so that their new drug plan can mail membership materials before the new coverage becomes effective on January 1, 2009. This way, even if they go to the pharmacy on the first day their new coverage begins, they can get their prescriptions filled without delay.

For more information

People who have questions about Medicare prescription drug coverage should visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. They should let Medicare know they received a notice on blue paper when they call.

Timeline of Re-assignment Activities

Mid-September

Medicare identifies Medicare Prescription Drug Plans that have enrollees who will be re-assigned to a plan with a premium at or below the regional low-income premium subsidy amount.

October 2

Plans that are leaving the Medicare Program notify their enrollees.

Mid-October

Medicare performs re-assignment and notifies gaining/losing Medicare Prescription Drug Plans and the states.

Early November

Medicare mails both versions of the re-assignment notice on blue paper.

December 31

Last day for people affected by re-assignment to switch plans before Medicare's re-assignment takes effect.

January 1, 2009

Re-assignment takes effect.