



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Recipient Services MEU

801 Ruggles Drive – 2501 Mail Service Center - Raleigh, N.C. 27699-2501
(919) 855-4000

Michael F. Easley, Governor
Dempsey Benton, Secretary

William W. Lawrence, Jr., M.D., Acting Director

September 15, 2008

Re: LIS Part D and PDP Reassignments

Dear County Director of Social Services:

The purpose of this letter is to notify counties about the beneficiary reassignment for certain Medicaid/Medicare recipients into a Medicare Prescription Drug Plan (PDP) and to provide PDP Open Enrollment information.

An individual must have resources equal to or less than \$11,990 for a single person or \$23,970 for a couple and income less than 150% of the federal poverty level for the family size to be eligible for the LIS.

CMS will notify beneficiaries as follows:

- In September letters will be sent on grey paper to those beneficiaries who no longer automatically qualify for LIS. Extra Help/LIS applications will be included with the letter.
- In October, letters will be sent on orange paper to beneficiaries who will continue to automatically qualify for LIS but with a different co-payment level. No notification letter will be sent if the person continues to automatically qualify and there will be no change in the co-payment level.
- In late October/early November version 1 of a reassignment letter will be sent on blue paper. This informs beneficiaries that their current plan is leaving the Medicare Program and they will be reassigned to a new plan effective January 1, 2009, unless they join a new plan on their own by December 31, 2008.
- In late October/early November version 2 of a reassignment letter will be sent on blue paper. This informs auto-enrollees that because their plan's premiums are increasing above the regional LIS premium subsidy amount of \$33.45, they will be reassigned to a new plan effective January 1, 2009, unless they join a new plan on their own by December 31, 2008.

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- In late October/early November a tan letter will be sent to beneficiaries who have a 100% subsidy and chose their own plan that their plan's premium is rising above the regional LIS premium subsidy amount of \$33.45. They will be responsible for paying a portion of their plan's premium unless they join a new plan.

As in 2008, there are more plans to choose from and more help from Medicare and SHIIP in choosing the plan that best fits the individual's needs. The base monthly premium beneficiaries will pay in 2009 will be \$30.36.

Open Enrollment for Part D Prescription Drug Plans is from November 15, 2008 through December 31, 2008. Counties are strongly encouraged to advise recipients to complete the enrollment prior to December 8, 2008, to allow adequate processing time. Beneficiaries only need to take action to disenroll or change plans. For those who choose to enroll in a new plan it is important that they **do not** disenroll from the current plan and then try to enroll in a new plan for 2009. All the beneficiary needs to do is enroll in the new plan and that action will cause termination of the current plan effective December 31, 2008.

Medicare beneficiaries who qualify for the Extra Help/LIS subsidy may enroll in a Medicare PDP with no penalty through December 31, 2009. This means a person who qualifies for the Extra Help/LIS subsidy and who has yet to enroll in a PDP may enroll in a PDP any time through December 31, 2009, and not incur a penalty, as long as he then remains continuously enrolled in Medicare Part D. However, if the individual disenrolls after 2009 and then has a continuous period of 63 days or more without creditable prescription drug coverage, he would incur a late enrollment penalty upon reenrollment into a Medicare PDP. Medicare beneficiaries that qualify for the Extra Help/LIS subsidy may enroll in a Medicare PDP with no penalty through December 31, 2009.

Counties should be taking LIS applications when requested. Assistance for the beneficiary in choosing a PDP is available through SHIIP at 1-800-443-9354, 1-800-MEDICARE (1-800-633-4227) or at the Medicare website at www.medicare.gov.

If you have any questions regarding this information, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Mrs. Angela Floyd, Assistant Director for Recipient and Provider Services, will be your point of contact and can be reached at (919) 855-4000.

Sincerely,

William W. Lawrence, Jr., MD

(This material was researched and written by John Benske, Program Consultant, Medicaid Eligibility Unit.)