



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
Carmen Hooker Odom, Secretary

L. Allen Dobson, Jr., M.D., Assistant Secretary
for Health Policy and Medical Assistance

October 5, 2005

Re: Medicare Auto Enrollment

Dear County Director of Social Services:

The purpose of this letter is to notify counties about the upcoming automatic enrollment of Medicaid/Medicare recipients into a Medicare Prescription Drug Plan (PDP). We anticipate clients will be calling counties with questions and we hope this gives you the information you need to be informed.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA), established the Medicare Prescription Drug Program. Beginning January 1, 2006, all Medicare beneficiaries who are entitled to Medicare Part A and/or enrolled in Medicare B are also eligible for Medicare Part D. Medicare Part D is a voluntary program. All Medicaid individuals who currently receive prescription drug coverage must enroll in a Medicare D Prescription Drug Plan (PDP) to continue to receive prescription drug coverage. This includes, but is not limited to, Medicaid recipients of Special Assistance, Community Alternatives Program, and Long Term Care individuals. Effective January 1, 2006, Medicaid recipients with Medicare who receive full Medicaid benefits, which includes prescription drug coverage, will now be covered by Medicare for their prescription drug benefit. These individuals will continue to receive other Medicaid covered services. However, Medicaid will only continue to pay prescription drug coverage for individuals who do not have Medicare.

To ensure prescription coverage continues for recipients with Medicare and full Medicaid, CMS will automatically enroll all full Medicaid individuals into a Medicare prescription drug plan. CMS will begin this enrollment process in October, and continue this process on an ongoing basis, for all existing Medicaid recipients who become entitled to Medicare, and all Medicare beneficiaries who become eligible for full Medicaid benefits and are not enrolled in a PDP. All current full Medicaid individuals with Medicare will receive a notice from

CMS at the end of October. This notice from CMS will include the name of the Medicare drug plan chosen, the monthly prescription plan premium, and plan deductible. For full Medicaid recipients the premium and deductible will be zero. The co-payment amounts for filling prescriptions will also be included in this letter. Co-payments for individuals eligible with income less than 100% of the federal poverty level will be one dollar (\$1) for generic drugs and three dollars (\$3) for brand name drugs. Other Medicaid recipients with income higher than 100% of the federal poverty level will have co-payments of two dollars (\$2) for generic drugs and five dollars (\$5) for brand name drugs. This notice will also indicate the plan the recipient was enrolled into, and advise these recipients they may choose a different plan between November 15, and December 31, 2005.

Counties need to be aware of this auto-enrollment, the timeframes, and the plan chosen for Medicaid recipients for whom the county may have guardianship responsibilities or other legal responsibilities. The county should ensure the plan is appropriate for the client. If not appropriate, then beginning November 15, 2005, action must be taken to change plans.

Once the initial enrollment period is complete, Medicaid recipients may choose to change plans at anytime, and coverage in the new plan should begin the following month. Individuals who are in receipt of both Medicare and Medicaid can choose not to continue enrollment in a drug plan. However, if a Medicaid recipient is entitled to Medicare Part A and/or enrolled in Part B and chooses not to enroll in a drug plan, Medicaid will no longer pay for prescriptions as of January 1, 2006.

In addition to the auto-enrollment letter from CMS, recipients will receive a list of questions and answers. These questions address several concerns a Medicaid individual may have. You may access this information for further understanding at the following website: <http://www.cms.hhs.gov/medicarereform/EnrollmentQA9-08-05withcoversheet.pdf> .

Once the auto-enrollment is complete, enrollees will also receive information from the prescription drug plan (PDP). Individuals should read this information carefully. Prescription drug plans may have different pharmacy networks and different covered drugs. Medicaid recipients should review this material to make sure the plan chosen best suits their medical needs. Beginning November 15, 2005, Medicaid recipients, along with all other Medicare beneficiaries, will have the option to change plans or enroll in a PDP for the first time. For assistance with changing and choosing a prescription drug plan individuals may contact the prescription drug plan directly, Medicare (1-800-MEDICARE), or the North Carolina Seniors' Health Insurances Information Program (SHIIP at 800-443-9354), or the local SHIIP agency. Local contact information can be found at www.ncshiip.com.

Currently, there are sixteen Prescription Drug Plans, and five Medicare Advantage Prescription Drug Plans approved in North Carolina. The Prescription Drug Plans are as follows:

- Aetna Life Insurance Company
- Blue Cross and Blue Shield of North Carolina
- Connecticut General Life Insurance Company
- Coventry Health and Life Insurance Company
- Humana Insurance Company

- Medco Containment Life Insurance Company
- Memberhealth, Inc.
- PacifiCare Life and Health Insurance Company
- Pennsylvania Life Insurance Company
- RxAmerica, LLC
- Silverscript Insurance Company
- Sterling Life Insurance Company
- Unicare
- United American Insurance Company
- United Health Care Insurance Company
- Wellcare Health Plans

Medicare Advantage Plans offer drug coverage in addition to other benefits, such as hospital and doctor coverage. The Medicare Advantage Plans are:

- Humana Inc.
- Fidelis Securecare of North Carolina
- Humana Inc.
- Partners
- United Healthcare

Please be sure your staff is aware of this auto-enrollment process, the timeframes for open enrollment, and the plans available. If you have any questions regarding this information, please contact your Medicaid Program Representative.

Sincerely,

L. Allen Dobson

(This material was researched and written by Christine Coffey, Policy Consultant, Medicaid Eligibility Unit.)