



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

December 13, 2007

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 \$11,710 for a single person or \$23,410 for a couple and income less than 150% of the federal poverty level for the family size to be eligible for the LIS.

CMS notified beneficiaries as follows:

- In September letters were sent on gray paper to those beneficiaries who no longer automatically qualify for LIS. An Extra Help/LIS application was included with the letter.
- In October, letters were sent on orange paper to beneficiaries who will continue to automatically qualify for LIS but with a different co-payment level. No notification letter was sent if the person continued to automatically qualify and there was no change in co-payment level.
- In October and November, two versions of reassignment letters were sent on blue paper.

One letter informs whether their 2007 plan has a premium change for 2008 which will be over the 2008 regional low-income premium subsidy amount of \$33.43 by more than \$1.00 **and** the person was auto-enrolled or facilitated in that plan.

The other letter informs all Extra Help/LIS recipients being reassigned if the plan is terminating. This action is completed whether the person was auto-enrolled, facilitated or voluntarily chose the plan. The person will be reassigned only to qualifying PDPs (i.e. the 2008 premium will be equal or less than the regional low-income premium subsidy amount in 2008). The intent is to retain the person in the same PDP if possible.

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- A tan letter will be sent to beneficiaries who have 100% subsidy but who chose their own plan, either after being auto-enrolled or facilitated into a plan by CMS or if they merely elected a plan prior to being auto-enrolled or facilitated into a plan. This letter will advise the beneficiary of the premium change being more than \$1.00 over the \$33.43. They will not be automatically reassigned but alerted regarding their options.

As in 2007, 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 2008 will be \$27.93.

Open Enrollment for Part D Prescription Drug Plans is from November 15, 2007 through December 31, 2007. Counties are strongly encouraged to advise recipients to complete the enrollment prior to December 8, 2007, 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 2008. All the beneficiary needs to do is enroll in the new plan and that action will cause termination of the current plan effective January 1, 2008.

Medicare beneficiaries that qualify for the Extra Help/LIS subsidy may enroll in a Medicare PDP with no penalty through December 31, 2008. 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, 2008, and not incur a penalty, as long as he then remains continuously enrolled in Medicare Part D. However, if the individual disenrolls after 2008 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, 2008.

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 Provider and Recipient Services, will be your point of contact and can be reached at (919) 855-4000.

Sincerely,

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

(This material was researched and written by Susan Ryan, Policy Program Manager, Medicaid Eligibility Unit.)