
CMCS Informational Bulletin

DATE: October 2, 2015

FROM: Vikki Wachino, Acting Director
Center for Medicaid and CHIP Services

SUBJECT: Annual Re-determination of Medicare Part D Low-Income Subsidy Deemed Status (Re-deeming)

The Centers for Medicare & Medicaid Services (CMS) is now preparing for the annual redetermination of Medicare Part D low-income subsidy (LIS) deemed status, also known as “re-deeming.” This bulletin is to provide an update on the next steps in the process to ensure that states understand the process and their role in ensuring that dual eligible beneficiaries have timely, affordable, and comprehensive coverage under the Medicare Part D prescription drug benefit.

CMS performs the following tasks to reassign LIS-eligible beneficiaries:

- Identifies beneficiaries whose LIS eligibility will continue in 2016;
- Identifies which plans in each prescription drug plan (PDP) region have a 2016 premium at or below the LIS benchmark for that region (or have volunteered to waive a de minimis amount above the benchmark);
- Identifies non-renewing PDPs and Medicare Advantage (MA) plans;
- Confirms that beneficiaries are assigned to plans in their region of residence, based on State Medicare Modernization Act (MMA) files; and
- Determines which individuals are subject to reassignment. In general, we reassign only full subsidy individuals who have not chosen a plan on their own in the past. In the case of plan non-renewals, we reassign all individuals with full or partial subsidies.

For your information, detailed guidance and additional information can be found in the following documents:

- Section 40.1.5 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicarePresDrugEligEnrol/index.html>
- Section 40.1.8 of Chapter 2 (Enrollment and Disenrollment) of the Medicare Managed Care Manual: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/index.html>

- Guidance memorandum entitled “2016 Reassignment of Low-Income Subsidy Beneficiaries in Prescription Drug Plans” dated September 10, 2015, will be available on our website at: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/LowIncSubMedicarePresCov/Reassignment.html>
- Guidance memorandum entitled “2016 Reassignment of Low-Income Subsidy Beneficiaries in Terminating Medicare Advantage Plans and Medicare Advantage Plans Reducing their Service Areas” dated September 11, 2015 will also be available on our website at: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/LowIncSubMedicarePresCov/Reassignment.html>

CMS Notifications to Beneficiaries

As provided in Chapter 3 of the Medicare Prescription Drug Benefit Manual, section 40.1.5 - E, PDPs that are losing enrollees to a different PDP sponsor due to the annual reassignment process have two options for meeting the requirement to provide current enrollees with the annual notice of change (ANOC):

- Mail the standard ANOC by September 30, 2015; or
- Mail the alternative ANOC (see Exhibit 30, *Optional Notice for “Losing Plan” to LIS Beneficiaries Re-Assigned to a Different PDP Sponsor (in lieu of Annual Notice of Change)* in Chapter 3) by November 7, 2015. This option applies only to those PDP sponsors that are losing enrollees to a different PDP sponsor due to the annual reassignment process this year and have chosen to send the alternative ANOC document.

In addition, CMS will mail the following notices to affected beneficiaries:

- **PDP Reassignment Notice:** In late October 2015, CMS will mail blue notices to all LIS beneficiaries who will be reassigned to a new PDP because the plan into which they were previously auto-enrolled will have a premium above the regional LIS benchmark or their current PDP is terminating.
- **MA Reassignment Notice:** Also in late October 2015, CMS will mail blue notices to all LIS beneficiaries enrolled in an MA plan that is terminating or has a service area reduction. These individuals will be assigned to PDPs.

Unless individuals make an election on their own, they will be automatically assigned to the plan identified in the notice with a January 1, 2016 effective date. To assist LIS beneficiaries in making an election, both of these blue reassignment notices will include a list of locally available plans that have no premium liability for people eligible for the full premium subsidy in 2016. Beneficiaries can use this information to compare their plan options. Except in plan termination situations, the notice also will inform them of the new monthly premium amount, if they stay in their current Part D plan.

- **Choosers Notice:** In early November, CMS will mail tan notices to LIS beneficiaries who are in a PDP in which they will have a premium liability, but are not being reassigned by CMS because they actively chose their current plan. CMS refers to these beneficiaries as “choosers.” Like the blue reassignment notice, the tan “choosers” notice will inform them of the new monthly premium amount for which they will be liable if they stay in their current PDP and include a list of PDPs that have no premium liability for people eligible for the full premium subsidy in 2016.
- **Affordable Care Act (ACA) Formulary Notice:** In December, CMS will mail a second blue notice to all LIS beneficiaries who will be reassigned to a new PDP. This includes those reassigned in the PDP and MA reassignments processes referenced above. This second notice will identify which drugs in their current drug regimen are covered in the 2016 plan to which they are being reassigned, and how to request an exception to obtain a drug that is not included in the plan’s formulary.

CMS has created a guide to 2015/2016 mailings sent to consumers from CMS, the Social Security Administration, and plans. This guide summarizes each notice’s message, explains when it will be sent, and includes the color of the paper on which the notice is printed. This guide is available on our Limited Income and Resources webpage at:

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/index.html>

The model beneficiary letters also will be posted on this webpage (in the “LIS Notices and Mailings” section) as they become available.

State Notification

On or about October 16, 2015, CMS will send two files, if applicable, to each state. The first will list the LIS-eligible individuals in their state who will receive a blue PDP reassignment letter and the second file will list the LIS-eligible individuals who will receive a blue MA reassignment letter. Customer service representatives at 1-800-MEDICARE will be prepared to answer questions about the reassignment process and about beneficiaries’ full range of options. In addition, plan information will be available at [Medicare.gov](http://www.Medicare.gov).

The reassignment files that CMS sends to states contains a list of full duals, partial duals, Supplemental Security Income (SSI)-only eligible individuals, and approved LIS applicants residing in their state who will be receiving blue notices from CMS informing them that they will be reassigned. Individuals that a State Pharmaceutical Assistance Program (SPAP) has requested CMS to carve-out of the reassignment process, under the SPAP’s authority to enroll on behalf of its members, will not be included in this file. This exclusion will ensure that such beneficiaries are reassigned only once. These reassignments will subsequently appear on the state’s normal MMA response file starting on or after October 12, 2015. See the attachment for the state reassignment file layout.

Thank you for your continued assistance with our efforts to ensure that low-income Medicare beneficiaries, including dual eligibles, maintain affordable and comprehensive coverage under

the Medicare Part D prescription drug benefit. If you have specific questions about any of this information, please contact Steve Ludwig at 410-786-0554, or at Stephen.Ludwig@cms.hhs.gov.

Attachment

ATTACHMENT – STATE REASSIGNMENT FILE LAYOUT

Exchange Name: SRA (State Response)
 (Where “x” can be “H” for header and “T” for trailer)
Reassignment State Response Files - Header Record

| Data Field | Length | Position | | | Format | Valid Values |
|---------------------|--------|----------|-----|-----|--------|--|
| Header Code | 8 | 1 | ... | 8 | CHAR | ‘SRA’ for re-assign state notification file. |
| Sending Entity | 8 | 9 | ... | 16 | CHAR | ‘CMS ’ (CMS + 5 spaces) |
| File Creation Date | 8 | 17 | ... | 24 | CHAR | CCYYMMDD Date file was created. |
| File Control Number | 9 | 25 | ... | 33 | CHAR | Spaces |
| Filler | 767 | 34 | ... | 800 | CHAR | Spaces |

Record Length = 800

| Data Field | Length | Position | | | Format | Valid Values |
|---|--------|----------|-----|-----|--------|--|
| Record Type | 3 | 1 | ... | 3 | CHAR | ‘DTL’ |
| Beneficiary’s Health Insurance Claim | 12 | 4 | ... | 15 | CHAR | |
| Beneficiary’s SSN | 9 | 16 | ... | 24 | CHAR | Filled with Spaces if the SSN is not present. |
| Representative Payee Name | 44 | 25 | ... | 68 | CHAR | |
| Beneficiary’s First Name | 12 | 69 | ... | 80 | CHAR | |
| Beneficiary’s Middle Name | 1 | 81 | ... | 81 | CHAR | |
| Beneficiary’s Last Name | 28 | 82 | ... | 109 | CHAR | Last name starts in position 83 if a middle initial is present. Last names that exceed the length will have the last characters dropped. |
| Beneficiary’s Address Line 1 | 40 | 110 | ... | 149 | CHAR | Filled with the Address |
| Beneficiary’s Address Line 2 | 40 | 150 | ... | 189 | CHAR | Filled with the Address, if available. |
| Beneficiary’s Address Line 3 | 40 | 190 | ... | 229 | CHAR | Filled with the Address, if available. |
| Beneficiary’s Address Line 4 | 40 | 230 | ... | 269 | CHAR | Filled with the Address, if available. |
| Beneficiary’s Address Line 5 | 40 | 270 | ... | 309 | CHAR | Filled with the Address, if available. |
| Beneficiary’s Address Line 6 | 40 | 310 | ... | 349 | CHAR | Filled with the Address, if available. |
| Beneficiary’s City | 26 | 350 | ... | 375 | CHAR | Filled with the City |
| Filler | 1 | 376 | ... | 376 | CHAR | Spaces |
| Beneficiary’s State | 2 | 377 | ... | 378 | CHAR | Filled with the State Code |
| Filler | 1 | 379 | ... | 379 | CHAR | Spaces |
| Beneficiary’s Zip Code | 10 | 380 | ... | 389 | CHAR | Filled with the Zip Code |
| Beneficiary’s Next Year’s Organization Marketing Name | 50 | 390 | ... | 439 | CHAR | |
| Beneficiary’s Next Year’s Plan Name | 50 | 440 | ... | 489 | CHAR | |
| Beneficiary’s Next Year’s Plan Member Services Toll-Free Number | 18 | 490 | ... | 507 | CHAR | |

| Data Field | Length | Position | | | Format | Valid Values |
|--|---------------|-----------------|-----|-----|---------------|---|
| Beneficiary's Next Year's Plan Web Address | 50 | 508 | ... | 557 | CHAR | |
| Beneficiary's LIS Subsidy Co-Payment Category | 1 | 558 | ... | 558 | CHAR | 1 - high co-pay 2 - low co-pay 3 - no co-pay 4 - 15% |
| Beneficiary's Next Year's Assign Effective Date | 8 | 559 | ... | 566 | NUMERIC | CCYYMMDD |
| Beneficiary's Part D Premium Subsidy Percentage | 3 | 567 | ... | 569 | CHAR | '100', '075', '050', or '025' |
| Beneficiary's PDP Region ID Code | 2 | 570 | ... | 571 | NUMERIC | |
| Beneficiary's Current Year's Organization Name | 50 | 572 | ... | 621 | CHAR | |
| Beneficiary's Current Year's Plan Name | 50 | 622 | ... | 671 | CHAR | |
| Beneficiary's Current Year's Plan Member Services Toll-Free Number | 18 | 672 | ... | 689 | CHAR | |
| Beneficiary's Current Year's Plan Premium Liability | 6 | 690 | ... | 695 | DECIMAL | |
| Filler | 8 | 696 | ... | 703 | NUMERIC | Zero |
| Beneficiary's Next Year's Contract Number | 5 | 704 | ... | 708 | CHAR | |
| Beneficiary's Next Year's PBP Number | 3 | 709 | ... | 711 | CHAR | |
| Beneficiary's Current Year's Contract Number | 5 | 712 | ... | 716 | CHAR | |
| Beneficiary's Current Year's PBP Number | 3 | 717 | ... | 719 | CHAR | |
| Beneficiary's Next Year's Plan Premium Liability | 6 | 720 | ... | 725 | DECIMAL | Used when the premium is increasing, decreasing, or remaining the same amount that is above the benchmark for the following year. Contains next year's premium for the current plan. |
| Filler | 75 | 726 | ... | 800 | CHAR | Spaces |

Record Length =

800

Reassignment State Response Files - Trailer Record

| Data Field | Length | Position | | | Format | Valid Values |
|---------------------|---------------|-----------------|-----|-----|---------------|---|
| Trailer Code | 8 | 1 | ... | 8 | CHAR | 'TRL' for re-assign state notification file. |
| Sending Entity | 8 | 9 | ... | 16 | CHAR | 'CMS ' (CMS + 5 spaces) |
| File Creation Date | 8 | 17 | ... | 24 | CHAR | CCYYMMDD Date file was created. |
| File Control Number | 9 | 25 | ... | 33 | CHAR | Spaces |
| Record Count | 9 | 34 | ... | 42 | NUMERIC | Right justified. Count = Number of detail records. |
| Filler | 758 | 43 | ... | 800 | CHAR | Spaces |

Record Length =

800