

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

TO: Medicare Advantage Prescription Drug Plans and Medicare Prescription Drug Plans

FROM: Gary Bailey, Deputy Director, Centers for Beneficiary Choices

RE: March Prescription Drug Explanation of Benefits (EOB)

DATE: March 17, 2006

In January, the Centers for Medicare and Medicaid Services (CMS) permitted Medicare Advantage Prescription Drug Plans and Medicare Prescription Drug Plans to send the first Explanation of Benefits (EOB) document(s) to appropriate members during March 2006. The March EOB mailing must reflect any activity for the months of January and February. After sending this EOB mailing, plans are expected to resume sending out an EOB for any month in which there was activity. We encourage plans to send out the March EOB as soon as possible after the close of the month in order to complete the transfer of gross-drug-spend and TrOOP balances among Part D plans on behalf of beneficiaries who switched plans during the program start-up period.

It is important that members who have utilized their benefit in January and February receive an EOB in March. The EOB serves as a tool to:

- Inform the member on where he/she is in the benefit and how much they have spent towards obtaining catastrophic coverage,
- Facilitate plan-to-plan reconciliation when a member enrolls in a new plan by providing needed claims history for the previous months,
- Inform the member of upcoming formulary changes.

Thank you for your cooperation in providing this valuable service to beneficiaries who have enrolled in the Medicare prescription drug coverage.