

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



CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

TO: All Cost Plan Organizations

FROM: Gary Bailey, Deputy Director for Plan Policy and Operations

RE: Special Instructions for Cost Plan Organizations for the Enrollment Reconciliation Process

DATE: March 24, 2006

Individuals enrolled in a Cost plan may obtain part D benefits from that cost plan, if it offers a part D benefit as an optional supplemental benefit, or may enroll in a separate stand alone PDP.

Using the March 14, 2006 reconciliation file, and applying the existing reconciliation instructions, you must address disenrollments as follows:

1. When an individual who is on your records as having enrolled in your part D benefit is disenrolled because of enrollment in a PDP (an "S" contract number) - you must terminate the optional supplemental part D benefit, but keep the person enrolled in the cost plan for the parts A and B benefits. CMS has provided a notice specific to this scenario, attached to these instructions.
2. When an individual who is on your records as having enrolled in your part D benefit is disenrolled because of enrollment in another Medicare managed care plan (an "H" contract number) the cost plan should terminate the enrollment completely. Use the notice with the file name "PDP Letter-final.doc."

Individuals on your records as being enrolled in your cost plan but not your part D benefit should not be disenrolled due to enrollment in a PDP ("S" number contract). Follow existing procedures to maintain this enrollment in your cost plan. Conversely, individuals on your records as being enrolled in your cost plan, but not your part D benefit, must be disenrolled if they enroll in another Medicare managed care plan ("H" number contract). Follow existing enrollment guidance for these disenrollments.