



**MEDICARE ENROLLMENT & APPEALS GROUP**

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**DATE:** August 30, 2013

**TO:** Medicare Advantage Organizations

**FROM:** Arrah Tabe-Bedward  
Director, Medicare Enrollment & Appeals Group

**SUBJECT:** 2014 Reassignment of Low-Income Subsidy Beneficiaries in Terminating Medicare Advantage Plans and Medicare Advantage Plans Reducing their Service Areas

**Overview of the Medicare Advantage Reassignment Process**

In mid-October, CMS will conduct reassignment of beneficiaries eligible for the Part D low-income subsidy (LIS) who are enrolled in certain Medicare Advantage (MA) plans as described below. CMS will carry out all reassignments, assigning beneficiaries into zero premium prescription drug plans (PDPs) owned by the same organization, if available, or randomly assigning beneficiaries to PDPs offered by different sponsors as appropriate.

CMS will reassign only individuals who meet the following criteria:

1. Are LIS-eligible in 2013 and will remain LIS-eligible in 2014; AND
2. Are enrolled in an MA plan that will be non-renewing or has a service area reduction (SAR), unless the plan is an MA Private Fee for Service plan and the individual already has concomitant enrollment in a stand-alone PDP that is not affected by PDP premium increase reassignment for 2014.

For further guidance on this process, please see §40.1.8 of Chapter 2 (Enrollment and Disenrollment) of the Medicare Managed Care Manual (“Chapter 2”), available at:

<http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/index.html>.

Please note that reassignment occurs for MA plans that are terminating or have an approved SAR as of 2014, including terminating MA-only plans as well as Medicare Advantage Prescription Drug (MA-PD) plans. Beneficiaries in these MA plans are reassigned into PDPs only, but they will have the option of electing another MA plan. Information about reassignment of beneficiaries enrolled in PDPs is provided in separate guidance (please refer to the memorandum “2014 Reassignment of Low-Income Subsidy Beneficiaries in Prescription Drug Plans” dated August 30, 2013, from Arrah Tabe-Bedward, Director, Medicare Enrollment & Appeals Group). In addition, LIS beneficiaries in U.S. territories or employer-sponsored MA-only or MA-PD plans will not be reassigned.

Key information about this year's process is outlined below, including details about the beneficiary notifications sent by CMS and a reassignment process timeline.

### **CMS Notification to Affected Beneficiaries**

CMS plans to mail notices (printed on blue paper) to the affected beneficiaries in late October. These notices will inform beneficiaries who are being reassigned of their prospective zero premium PDP and indicate that they will have Original Medicare as their health coverage unless they choose another MA plan.

CMS will mail a second blue letter to these beneficiaries in December that will identify which drugs in their current drug regimen are on the formulary of the 2014 plan to which they are being reassigned, and how to request an exception or appeal, or file a grievance. Once these notices are finalized, they will be available at <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/LIS-Notices-and-Mailings.html>

### **CMS Notification to “Gaining” PDPs**

CMS also notifies PDPs of individuals who will be reassigned to their plan for 2014 from non-renewing MA plans. For requirements applicable to “gaining” PDPs, please refer to the memo “*2014 Reassignment of Low-Income Subsidy Beneficiaries in Prescription Drug Plans*” dated August 30, 2013, from Arrah Tabe-Bedward, Director, Medicare Enrollment & Appeals Group.

### **Characteristics of Reassignment Transactions on the Special Transaction Reply Report (TRR)**

Once CMS processes reassignment transactions, CMS will transmit a special TRR to plans on or about October 18, 2013, containing only reassignment transactions. Losing plans will receive disenrollment TRC 014 for beneficiaries that are assigned out of their plan and into another gaining plan on their special TRR **except** in the case that they have an approved renewal scenario or crosswalk that specifically requires the plan to submit disenrollment transactions to CMS on October 7, 2013, prior to reassignment. In this case, the plan will only receive the disenrollment TRC on their regular DTRR following the successful submission of the disenrollment transaction; they will not receive a TRC showing the reassignment of those beneficiaries on the special TRR.

More information on plan-submitted enrollment and disenrollment activity related to certain approved renewal scenarios and crosswalk situations will be provided in the annual memorandum titled “End-of-Year 2013 Enrollment and Payment Systems Processing Information,” which will be released shortly.

The special TRR will be identified by the following information depending on the type of connectivity for file transfers that the plan uses:

**Gentran mailbox or TIBCO:**

P.Rxxxxx.SPCLTRD.Dyymmdd.Thhmsst.pn

**Connect:Direct (Mainframe):**

zzzzzzz.Rxxxxx.SPCLTRD.Dyymmdd.Thhmsst

**Connect:Direct (Non-Mainframe):**

[directory]Rxxxxx.SPCLTRD.Dyymmdd.Thhmsst

KEY
xxxxx = 5 character contract id
yymmdd = two digit year, month, day
hhmsst = hour/minute/second/tenths of second
pn = process number
zzzzzzz = Plan-provided high level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

The content/layout of the special TRR will be identical to the daily TRR, except that it will only include TRCs from the reassignment process.

**Plan Non-Renewal Communication to Affected Beneficiaries**

MA organizations should refer to CMS’ annual guidance on non-renewal for specifics about how beneficiaries must be notified about the non-renewal. This guidance will be released by CMS via HPMS. For more information on requirements related to non-renewal generally, please refer to the following documents:

- Advance Notice of Methodological Changes for Calendar Year (CY) 2014 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2014 Call Letter issued on February 15, 2013, which contains complete instructions for non-renewing plans and contracts; and
- The Announcement of Calendar Year (CY) 2014 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter that was issued by CMS on April 1, 2013.

Both of these documents can be found at <http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Announcements-and-Documents.html>.

**End-of-Year Timeline for Reassignment**

**Please be sure to adhere to the all deadlines.**

**August 23, 2013** – State Pharmaceutical Assistance Programs (SPAPs) that have authorized representative status and intend to “reassign” their beneficiaries have sent their “carve-out” list to

CMS on or before this date. These beneficiaries will be excluded from reassignment to ensure they are moved only once.

**October 2, 2013** – Beneficiaries that are in MA plans that are non-renewing (or have an approved SAR) for 2014 must receive the beneficiary specific non-renewal notices from the non-renewing MA organization.

**October 7, 2013** – Plans must submit all required crosswalk exception enrollment and disenrollment transactions to MARx. This is only required for plans that have an approved crosswalk exception in HPMS that specifically requires enrollment or disenrollment transactions to be submitted by the plan. More information on this requirement can be found in the annual End of Year guidance that will be distributed in the near future. Plans should review their plan crosswalk reports in HPMS in advance.

**Early October, 2013** (due date to be determined) – MA organizations with approved renewal/non-renewal scenarios that require the organization to submit enrollment and/or disenrollment transactions (such as certain SAR scenarios), must submit those transactions following the requirements in the annual End of Year processing guidance memorandum (to be provided shortly).

**October 18, 2013** – CMS anticipates providing lists of PDP and MA reassignees to States, 1-800-MEDICARE, and “losing” and “gaining” PDPs.

**October 18, 2013** – The special TRR showing successfully processed reassignments estimated to be available (see additional detail on page 2).

**Late October, 2013** – CMS begins mailing beneficiary reassignment notices on blue paper.

**Mid-December, 2013** – CMS begins mailing reassigned beneficiaries a second blue notice identifying which drugs in their current drug regimen are on the formulary of the 2014 plan to which they are being reassigned, and how to request an exception or appeal or file a grievance.

**January 1, 2014** – Reassignment effective date.

### **For Assistance**

If you have specific policy questions about any of these instructions, please contact Steve Ludwig at 410-786-0554 or [Stephen.Ludwig@cms.hhs.gov](mailto:Stephen.Ludwig@cms.hhs.gov). If you have technical questions about file format or transactions, you should contact the MAPD Help Desk at 1-800-927-8069 or [MAPDhelp@cms.hhs.gov](mailto:MAPDhelp@cms.hhs.gov).