

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE ENROLLMENT & APPEALS GROUP

DATE: September 29, 2023

TO: Medicare Advantage Organizations

FROM: Jerry Mulcahy
Director, Medicare Enrollment & Appeals Group

SUBJECT: 2024 Reassignment of Low-Income Subsidy Beneficiaries in Non-Renewing Medicare Advantage Plans and Medicare Advantage Plans Reducing their Service Areas

Overview of the Medicare Advantage Reassignment Process

In October, the Centers for Medicare & Medicaid Services (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, including assigning beneficiaries into zero premium Prescription Drug Plans (PDP) owned by the same organization, if available, or randomly assigning beneficiaries to PDPs offered by different sponsors.

CMS will only reassign individuals who meet the following criteria:

1. Are LIS-eligible in 2023 and will remain LIS-eligible in 2024; 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 or Medical Savings Account (MSA) plan and the individual already has associated enrollment in a stand-alone PDP that is not affected by PDP premium increase reassignment for 2024.

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

<https://www.cms.gov/medicare/enrollment-renewal/managed-care-eligibility-enrollment>

Please note that reassignment occurs for Medicare Advantage Prescription Drug (MA-PD) plans that are non-renewing or have an approved SAR as of 2023. 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 a PDP is provided in separate guidance. Please refer to the forthcoming memorandum “*2024 Reassignment of Low-Income*

Subsidy Beneficiaries in Prescription Drug Plans” from Jerry Mulcahy, Director, Medicare Enrollment & Appeals Group, available in the Health Plan Management System (HPMS). In addition, LIS-eligible 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 Special Transaction Reply Report (STRR) sent to plans, beneficiary notifications sent by CMS and the MA plans and a reassignment process timeline.

Characteristics of Reassignment Transactions on the Special Transaction Reply Report

Once CMS processes reassignment transactions, CMS will transmit a STRR to plans on or about November 1, 2023, containing only reassignment transactions. Gaining PDPs will be able to identify beneficiaries assigned to their plans as follows:

Application date: All LIS-eligible beneficiaries reassigned due to a plan or contract non-renewal, or SAR will be identified by an application date of September 30, 2023.

Enrollment source code = H (reassign)

Transaction Reply Codes (TRC) = TRC-212 – Reassignment Enrollment Accepted – Reassignment enrollment request for a beneficiary into a PDP submitted by CMS is accepted.

Losing plans will receive TRC-014 (disenrollment) on their STRR for beneficiaries who are reassigned to another plan. An exception to this is when the plan has an approved crosswalk that specifically requires it to submit a disenrollment transaction in early October 2023, prior to reassignment. The due date for these disenrollments was provided in the annual memorandum titled “*End-of-Year 2023 Enrollment and Payment Systems Processing Information*,” issued in HPMS on August 25, 2023. For these cases, plans will only receive a disenrollment TRC on their regular Daily Transaction Reply Report (DTRR); they will not receive a TRC showing the reassignment of those beneficiaries. More information on crosswalk exceptions and plan-submitted activity can be found in the End-of-Year Memorandum.

The STRR 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

Connect: Direct (Mainframe):

zzzzzzzz.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
hhmmssst = hour/minute/second/tenths of second
zzzzzzzz = Plan-provided high-level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

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

CMS Notification to Affected Beneficiaries

CMS plans to mail the first of two notices (printed on blue paper) to the affected beneficiaries in mid-November. This notice 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 the second blue notice in late-November. This second notice will identify which drugs in their current drug regimen are on the formulary of the 2024 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:

https://www.cms.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/LIS-Notices-and-Mailings?_sm_byp=iVV0j2kvNF7JT02F

CMS Notification to Gaining PDPs

CMS also notifies PDPs of individuals who will be reassigned to their plan for 2024 from non-renewing MA plans. For requirements applicable to gaining PDPs, please refer to the forthcoming memorandum “*2024 Reassignment of Low-Income Subsidy Beneficiaries in Prescription Drug Plans*” from Jerry Mulcahy, Director, Medicare Enrollment & Appeals Group, available in HPMS.

Plan Non-Renewal Communication to Affected Beneficiaries

Please refer to the forthcoming memorandum “*Non-Renewal and Service Area Reduction Guidance and Enrollee Notification Models*” from Kathryn A. Coleman, Director, Medicare Drug & Health Plan Contract Administration Group, for guidance on non-renewal specifics about how beneficiaries must be notified about the non-renewal. For more information on requirements related to non-renewals, please refer to the “*Announcement of Calendar Year (CY) 2024 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies*” dated March 31, 2023.

End-of-Year Timeline for Reassignment

Please be sure to adhere to all deadlines.

October 2, 2023 – MA organizations that are non-renewing contracts or plan benefit packages (or have an approved SAR) for CY 2024 must provide impacted beneficiaries with specific non-renewal notices.

October 4, 2023 – MA organizations with approved renewal/non-renewal scenarios that require the plan to submit enrollment and/or disenrollment transactions, such as certain SAR scenario, must submit those transactions following the requirements in the annual End-of-Year 2023 enrollment processing guidance memorandum sent on August 25, 2023.

November 1, 2023 – The special TRR showing successfully processed reassignments estimated to be available (see additional detail on page 2).

Early-November 2023 – CMS anticipates providing lists of PDP and MA reassignees to States, 1-800-MEDICARE, and losing and gaining PDPs.

Mid-November 2023 – CMS begins mailing beneficiary reassignment notices on blue paper.

Late-November 2023 – CMS begins mailing reassigned beneficiaries a second blue notice identifying which drugs in their current drug regimen are on the formulary of the 2024 plan to which they are being reassigned, and how to request an exception or appeal, or file a grievance.

January 1, 2024 – Reassignment effective date.

For Assistance

Questions about this memorandum can be sent to the CMS Reassignment Team at EOYReassignment@cms.hhs.gov.

If you have technical questions about file format or transactions, contact the MA-PD Help Desk at 1-800-927-8069 or MAPDhelp@cms.hhs.gov.