



Fact Sheet

New Prescription Drug Benefit (Part D) Enrollment Rights for Low-Income Medicare Beneficiaries

On July 5, 2007, the Center for Medicaid and Medicare Services (CMS) announced that, effective immediately, all Medicare Part D beneficiaries eligible for the Low Income Subsidy (LIS), also called “extra help,” have a continuous Special Enrollment Period (SEP). Advocates had supported this change, which gives LIS recipients the opportunity to switch plans as often as monthly. Previously, only full and partial dual eligibles (beneficiaries who qualify for both Medicare and any type of Medicaid assistance) were permitted to change their plans at any time. Now all LIS eligibles, not just duals, enjoy this benefit.

The SEP allows LIS beneficiaries increased flexibility to make changes to their prescription drug coverage and, in most circumstances, to their enrollment in Medicare Advantage (MA) plans (also know as Medicare Part C, these are private health insurance plans that offer Medicare benefits and replace enrollment in original, fee-for-service Medicare).

<i>If an individual is eligible for the LIS and is enrolled in . . .</i>	<i>He or she may switch each month to . . .</i>
Medicare Advantage Prescription Drug (MA-PD) Plan	A different MA-PD plan OR Original Medicare plus a stand-alone Part D prescription drug plan (PDP)
Original Medicare plus a Medicare Part D PDP	Original Medicare plus a different PDP OR An MA-PD plan
An MA-only plan (an MA plan that does not provide any prescription drug coverage) plus a Medicare Part D PDP	The same MA-only plan plus a different PDP OR An MA-PD plan

Original Medicare with no Medicare prescription drug coverage ¹	Original Medicare plus a PDP OR An MA-PD plan
--	---

A continuous enrollment period has many benefits. If a beneficiary finds that his or her plan does not cover a necessary drug, it may be easier to switch plans than to seek an exception to the plan’s formulary. Also, particularly with the intensive marketing that has characterized plan outreach, many individuals have joined plans that they later realize are not appropriate for their needs. The continuous enrollment period makes it easy to correct such mistakes.

Individuals who are no longer deemed eligible for the LIS for the next calendar year will have an SEP to make one change during January to March of the year in which they lose their LIS eligibility. Individuals who lose their LIS eligibility during the year have an SEP that begins the month they are notified and continues for two months thereafter.

Note: A completely separate special enrollment period allows all individuals, regardless of income, to change plans if they have enrolled in a Medicare Advantage (MA) plan based on misleading or incorrect information provided by plan employees, agents or brokers. Contact 1-800-MEDICARE for more information.

How Can I Get Help?

- To change plans, call the new plan that you want to enroll in, or call 1-800-MEDICARE.
- If you need help in deciding what plan to join, you can get unbiased individualized assistance from a volunteer counselor in your area. In California, call California’s Health Insurance Counseling and Advocacy Program, 1-800-434-0222. Outside of California, call 1-800-MEDICARE and ask for contact information to reach the State Health Insurance Assistance Program (SHIP) in your state.
- Compare plans at www.medicare.gov or by calling 1-800-MEDICARE.
- To apply for the Low-Income Subsidy, also called “Extra Help,” contact your local Medi-Cal/Medicaid or Social Security Office, or apply on-line at <http://www.socialsecurity.gov/prescriptionhelp/>.

¹ Although most Medicare enrollees must pay a Late Enrollment Penalty if they delay enrolling in Medicare prescription drug coverage without other, creditable coverage, CMS has waived this penalty for LIS recipients who enroll in a plan by December 31, 2007.