



Brief Overview of Medicare Part D Redeterminations for 2007

Recent guidance from the Center for Medicare and Medicaid Services (“CMS”) and the Social Security Administration (“SSA”) explains how “extra help” redeterminations for 2007 will be conducted. **Remember: CMS conducts the “extra help” determinations/redeterminations for the categories of “extra help” eligibility that are automatic. SSA conducts the determinations/redeterminations for “extra help” categories that require an application.**

Extra Help Determinations/Redeterminations for the Categories of Automatic “Extra Help” in 2007

CMS will determine/redetermine who is automatically eligible for “extra help.” Beginning in August and using the list of July enrollees, the states will share their lists of those enrolled in Medicaid or Medicare Savings Programs (QMB, SLMB(SLIB), QI-1). CMS will automatically enroll these individuals into “extra help” eligibility. This will continue every month thereafter. So, anyone enrolled in Medicaid or a Medicare Saving Program in July 2006 through December 2006 will automatically qualify for “extra help” for all of 2007.

SSI-only redeterminations will begin with the August file of SSI only beneficiaries sent from SSA to CMS.

2007 Extra Help Redeterminations for Those Individuals Who Applied and Were Awarded Extra Help in 2006

SSA is required to periodically redetermine an individual's continuing eligibility for "extra help." In general, there are three different types of redeterminations: the L1026 redetermination, the subsidy changing event redetermination, and the cyclical redetermination. Each is explained briefly below:

L1026 Redetermination

An individual/couple will receive one L1026 redetermination, with some exceptions. The L1026 redetermination is conducted to check to see if an individual/couple's circumstances have changed. Individuals who became eligible for "extra help" in the period of January through April 2006 will receive a L1026 redetermination in August 2006 unless a subsidy changing event or other event was reported. Individuals who became eligible for "extra help" in May 2006 through April 2007 will receive a L1026 redetermination in August 2007 unless a subsidy changing event or other event was reported.

The L1026 Redetermination are fairly simple. If there are no changes to the individual's income, resources, or household size that would change eligibility, the individual is instructed to do nothing. If there are changes, an enclosed form must be returned within 15 days. SSA will then send the individual a redetermination form (SSA-1026-OCR-SM-REDE) that must be completed and returned within 30 days. Once SSA receives this form, it will follow the "extra help" determination process and recalculate "extra help" eligibility, if warranted. Failure to return this form will result in a termination of "extra help" (after due process). Any changes to "extra help" that result from the L1026 redetermination process will be effective in January of the following year.

Individuals who report a subsidy changing event or other event (including change in income) prior to the L1026 redetermination will by-pass the L1026 redetermination. Instead, they will receive a subsidy changing event redetermination or a cyclical redetermination, explained below.

Subsidy Changing Event Redetermination

There are six subsidy changing events whereby "extra help" eligibility is recalculated effective the month after the month the event is reported to SSA. These events are: marriage, divorce, death of a living-with spouse, annulment, separation, and separated spouses resuming cohabitation. These redeterminations are conducted upon receipt of the information that a subsidy changing event has occurred. Once SSA is informed of the subsidy changing

event, a SSA-1026-OCR-SM-SCE is mailed to the individual. Individuals have 90 days to return the SSA-1026-OCR-SM-SCE form. Failure to return the form within 90 days will result in termination of "extra help" effective the first month following the end of the 90 day period.

Cyclical Redeterminations

Cyclical Redeterminations will be selected once a year in August. For 2007 and later years, a portion of all subsidy eligible individuals who do not get a L1026 redetermination will be chosen for a cyclical redetermination. Individuals will be mailed a SSA-1026-OCR-SM-REDE form and will need to complete it and return it within 30 days. Failure to complete and return the SSA-1026-SM-REDE will result in termination from "extra help" effective January of the following year.

Cyclical Redeterminations will also be given to individuals who report other events such as a change in income during the year. So, for example, if an individual starts a job in April 2007 and reports the income to SSA, that individual will receive a cyclical redetermination in August 2007 and will be mailed the SSA-1026-OCR-SM-REDE. In addition, anyone reporting an other event such as change in income in the period of August through December will receive a cyclical redetermination that year and will be mailed the SSA-1026-OCR-SM-REDE immediately.

For more information on the SSA redetermination process, see POMS HI 03050.11.