



Part D Coverage Gap Rebate Under the Affordable Care Act

As you know, the Patient Protection and Affordable Care Act (PPACA) was signed on April 23, 2010. Some provisions of the health care reform law are being enacted quickly and will take effect later in 2010. However, there is a notable provision under the Affordable Care Act that is being implemented more quickly for some Medicare Part D beneficiaries:

Beneficiaries enrolled in a stand-alone PDP or an MAPD plan in 2010 who reach the prescription drug coverage gap (the "donut hole") may be eligible to receive a one-time \$250 rebate from the U.S. Department of Health and Human Services (HHS), the agency that oversees the Centers for Medicare & Medicaid Services (CMS). That means that a PDP or MAPD beneficiary has accumulated more than \$2,830 in Covered Medicare Part D costs. (Exclusions do apply and are explained below.)

We want to be sure that you have all of the key points about the \$250 Part D Coverage Gap Rebate to assist your clients. And we are including web and telephone resources for further general knowledge on the rebate provision, or to access more information on health care reform topics.

As always, the support and professional knowledge that you provide to beneficiaries matters for their health and satisfaction. We appreciate your dedication!

Key Points on the \$250 Part D Coverage Gap Rebate Under PPACA:

According to the latest information from CMS, for beneficiaries enrolled in a stand-alone PDP or an MAPD plan in 2010:

- Starting on June 15th, beneficiaries who have hit the prescription drug coverage gap (or "donut hole") will get a \$250 rebate check to help them afford their medicines this year.
- Beneficiaries who as of June have reached the prescription drug coverage gap and are eligible for the rebate will receive their \$250 rebate check later in June.
- Those beneficiaries who enter the coverage gap after June and who are eligible for the \$250 rebate will be issued the payment by HHS, based on the quarter in which they hit the coverage gap. In the event that a beneficiary enters the Coverage Gap at the end of a quarter during 2010, the refund may be processed/mailed during the next quarter.
- Beneficiaries should be reminded that **the rebate checks will be processed and issued by HHS, not by the insurance carriers**, and HHS will issue rebates based on a beneficiary's PDP or MAPD coverage at the time that they reach the coverage gap.

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Who is excluded from the \$250 Part D 2010 rebate?

1. Dual eligible beneficiaries/Extra Help members: those who receive prescription drug subsidies (low income subsidy, i.e. LIS) and/or coverage from both Medicare and Medicaid.
2. Beneficiaries with annual income exceeding the Part B income thresholds and who are exempt from LIS. This means that they have annual adjusted individual income above \$85,000 or annual adjusted joint income above \$170,000.
3. Beneficiaries receiving Retiree Drug Subsidy (RDS).
 - In the event that a beneficiary has just become dual eligible and they entered the coverage gap prior to being dual eligible, and so long as HHS deems that they are eligible for the rebate, then HHS should process the rebate according to the quarter that they entered the coverage gap.

To locate additional information about the \$250 Part D 2010 rebate:

a) Go to www.medicare.gov. On the Home page, there is a section labeled, "What's New for Medicare". It includes a link, ***Latest on Healthcare Reform***, and from there you or your client can navigate to information and details about the Affordable Care Act.

b) Beneficiaries can phone Medicare directly at 1-800-Medicare (1-800-633-4227), 24 hours a day/7 days a week. TTY/TDD users should call 1-877-486-2048.

c) <http://healthreform.gov/index.html> is a link for the government's official public website for information about the Affordable Care Act and its implementation.

d) We recommend use of the convenient search function on the healthreform.gov site. If you type in "coverage gap rebate" you are able to read additional information that has been released by HHS as well as actual text from the legislation as passed: Sec. 1101. Closing the Medicare Prescription Drug "Donut Hole" (a) Coverage Gap Rebate for 2010 http://healthreform.gov/documents/section1101_closingmedicatedonut.pdf

e) One of the "coverage gap rebate" search results is an FAQ document that may prove helpful to you. For your added convenience, here's a link to it: <http://healthreform.gov/about/answers.html#seniors>
We will update you if additional information is provided by CMS about the coverage gap rebate.

If you have questions or for more information, please contact Cutler & Associates at 877-411-7613 or visit our website at www.cutlerassociates.com.

NOTE: For Agent use ONLY. Not intended for the general public.