

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE**

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**DATE:** December 8, 2011

**TO:** All Part D Plan Sponsors

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

**SUBJECT:** Disenrollment for Failure to Pay Part D-Income Related Monthly Adjustment Amount

In accordance with regulations at 42 CFR §423.44(e), the Centers for Medicare & Medicaid Services (CMS) will disenroll individuals who fail to pay the Part D income related adjustment amount (Part D-IRMAA). The first disenrollment will occur in March for an April 1, 2012, effective date.

CMS will be mailing letters in December, January, and February to individuals who are delinquent in payment of their Part D-IRMAA. This letter will inform them of the impending disenrollment from their Medicare Part D coverage if they do not pay their Part D-IRMAA owed amounts by February 25, 2011. Attached is a copy of the letter and Frequently Asked Questions to assist plans who receive inquiries from their members.

As a reminder to plan sponsors, CMS will identify and disenroll individuals who fail to pay their Part D-IRMAA. Plans will receive Transaction Reply Code (TRC) 293 notifying them of the involuntary disenrollment and the effective date.

**For Assistance**

Please refer to the Frequently Asked Questions document that is attached to this memorandum. For questions regarding the Part D-Income Related Monthly Adjustment Amount, please contact Roslyn Thomas at (410) 786-9621 or [Roslyn.thomas@cms.hhs.gov](mailto:Roslyn.thomas@cms.hhs.gov).

Attachments

## **Frequently Asked Questions – Disenrollment for Failure to Pay Part D-IRMAA December 8, 2011**

### **1. What happens if I do not pay the Part D-IRMAA?**

You are required by law to pay the Part D-IRMAA in addition to your plan premium. You have to pay the Part D-IRMAA even if your employer pays for your plan premiums. If you do not pay the Part D-IRMAA owed amounts, you will be disenrolled from your Part D coverage. This means that you will be disenrolled from your Medicare Advantage plan or employer group plan if it includes Medicare prescription drug coverage. If you're enrolled in a Medicare cost plan, you'll no longer have the optional prescription drug benefit.

### **2. What happens if I'm disenrolled from my Part D coverage?**

If you are disenrolled, you'll no longer have Medicare Part D coverage. If you lose this coverage and you re-enroll in Part D later, you'll still have to pay any Part D-IRMAA you owed. You may also have to pay a late enrollment penalty due to the break in coverage.

### **3. I was told by Social Security that I have to pay Part D-IRMAA in 2011. I disenrolled from a Medicare prescription drug plan earlier this year and joined a different Medicare prescription drug plan during the same year. Do I still have to pay the Part D-IRMAA?**

Yes, you are required to pay the Part D-IRMAA for the months within the year that you have Medicare Part D coverage.

### **4. I want to pay my Part D-IRMAA to keep drug coverage, what should I do?**

It is important for you to maintain your Medicare prescription drug coverage. You should have received a bill from Medicare telling you how much you owe for Part D-IRMAA. Please pay that amount right away to keep your coverage.

### **5. Why did I get this letter?**

You received this letter because Medicare's records show that you have not paid your Part D-IRMAA in full. If you believe you already paid this or received this letter in error, please contact Medicare directly at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

### **6. I sent my Part D-IRMAA payments to the plan. Why does Medicare say I didn't pay?**

You are required by law to pay the Part D-IRMAA in addition to your plan premium. The Part D-IRMAA is not paid to your plan. If you send the payment to the plan, you have not paid the Part D-IRMAA. You should have received a bill from Medicare telling you how much you owe for Part D-IRMAA. Please pay that amount right away to keep your coverage.

*[NOTE: Individual is likely to ask about their overpayments to the plan. Plans should insert language regarding their process for premium overpayments.]*



7500 Security Boulevard  
Baltimore, MD 21244-1850

<BENEFICIARY NAME>  
<ADDRESS>  
<CITY STATE ZIP>

HICN <1234>  
December 2011

## **IMPORTANT: Act Soon or You'll Lose Your Part D Drug Coverage**

Dear <BENEFICIARY NAME>:

Our records show that you haven't paid your Part D-IRMAA owed balance. If you don't pay the Part D-IRMAA in full, you'll be disenrolled from the plan that has your Part D drug coverage, even if it's your employer plan or Medicare Advantage Plan.

### **You must pay in full by February 25, 2012.**

We'll send you another bill soon. Please pay the total amount owed right away so that you won't be disenrolled from your Part D plan. **If you don't pay your bill in full by February 25, 2012, you will be disenrolled from your plan effective April 1, 2012.** This means that you will be disenrolled from your Medicare Advantage Plan or employer group plan if it includes Medicare prescription drug coverage. If you're enrolled in a Medicare cost plan, you'll no longer have the optional prescription drug benefit.

### **What is the Part D-IRMAA?**

The Part D-Income Related Monthly Adjustment Amount (Part D-IRMAA) is an additional amount for Medicare Part D drug coverage. You pay the Part D-IRMAA separate from your Part D drug plan premium. You're required by law to pay the Part D-IRMAA based on your income, even if you have drug benefits through a union or employer-sponsored Medicare drug plan. You pay your Part D-IRMAA directly to Medicare, not to your plan.

### **What happens if I'm disenrolled from my Part D drug coverage?**

If you are disenrolled, you'll no longer have Medicare Part D drug coverage starting April 1, 2012. If you lose this coverage and you re-enroll in Part D later, you'll still have to pay any Part D-IRMAA you owed. You may also have to pay a late enrollment penalty.

## Get help & more information.

- If you have questions about your bill, or you don't think you have Medicare Part D drug coverage, contact Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- To learn more about Part D-IRMAA visit <http://ssa.gov/pubs/10536.html>.
- If you need to ask for a new decision because an event caused your income to go down, visit <http://ssa.gov/pubs/10536.html#income>. You can also call Social Security at 1-800-772-1213 (TTY: 1-800-325-0778).

¿Necesita una copia en Español? Llame al 1-800-MEDICARE (1-800-633-4227).  
Los usuarios de TTY deberán llamar al 1-877-486-2048.

