Medicare Part D Coverage for New LIS-Eligible Beneficiaries is Changing: Announcing the Limited Income Newly Eligible Transition (NET) Program

On January 1, 2010, CMS will implement a new demonstration called the **"Limited Income Newly Eligible Transition (NET)"** program. The Limited Income NET program will cover all claims during retroactive auto-enrollment periods for full-benefit dual eligible (FBDE) beneficiaries and Supplemental Security Income (SSI)-only beneficiaries plus immediate need claims for all Low- Income Subsidy (LIS)-eligible beneficiaries.

CMS competitively procured a single Prescription Drug Plan (PDP) Sponsor, Humana, Inc., to operate the demonstration. The contract was awarded on July 8, 2009. It will span two years with the option to be renewed for three one-year periods.

The Limited Income NET program will:

- Cover approximately 450,000 FBDE and SSI-only beneficiaries each year who, under the current process, would have been randomly enrolled into a Low-Income Subsidy (LIS) PDP with retroactive coverage. Implementing such coverage across almost 300 LIS PDPs has made it difficult for beneficiaries to access and for plans to administer. **The Limited Income NET program will improve retroactive coverage by providing it through a single PDP with an open formulary with no prior authorization, no network pharmacy restrictions, and no timely filing deadlines.**
- Cover another approximately 60,000 LIS-eligible beneficiaries each year who need immediate coverage at the Point of Sale (POS) because they present with no Part D plan enrollment.
- Provide a centralized point of contact for all retroactive coverage issues including confirming the dual/LIS eligibility of all individuals, informing beneficiaries through outreach efforts of their right to retroactive claims reimbursement, and paying for appropriate claims.
- For POS beneficiaries, provide up to two Eligibility Reviews for those who had rejected claims or for those who had claims paid but were later determined to be ineligible. If either happened in error, the Eligibility Review performed by Humana allows the beneficiary to show proof of eligibility for Limited Income NET.
- Provide reimbursement to beneficiaries for Part D covered drugs if paid out-of-pocket during Limited Income NET eligible periods.

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How will Auto-Enrollment change?

	Current Process	LI NET Process
Eligibility	FBDE and SSI-only Beneficiaries identified by states or the POS Contractor	No Change
Enrollment	Enrolled into random plans retroactively	Enrolled into ONE plan, X0001, for temporary coverage and into random plans prospectively
Effective Date	Retroactive effective date: start of full dual status or last uncovered month, whichever is later	No Change
Benefit Design	Plan restrictions make it difficult to administer on a retroactive basis	Open formulary with no prior authorization requirement, network pharmacy restrictions, or timely filing deadlines

How will POS coverage change?

	Current Process	LI NET Process
Eligibility	All LIS Eligible Beneficiaries	No Change
Enrollment	Temporary coverage through Contractor and enrolled into random plans retroactively	Enrolled into X0001 as a result of POS and into random plans prospectively
Effective Date	Up to 90 days retroactive coverage	- For FBDEs and SSI-Only: Expanded to 36 months retroactive coverage (exception: can be greater than 36 months if beneficiary had recent (within 90 days) Medicaid determination with an effective date greater than 36 months) - For Partial Duals and LIS Applicants: Narrowed to 30 days retroactive coverage - For Unconfirmed Beneficiaries (no LIS on CMS' system): Narrowed to 7 days retroactive coverage

Benefit Design	No plan restrictions on benefit except for safety, abuse edits	No Change
	Exceptions Requests routed through Caseworkers by pharmacy providers to fax line	Eligibility Reviews may be requested by a beneficiary, or anyone acting on behalf of a beneficiary, to dedicated Humana CSRs

Please forward questions to the LI NET mailbox at MedicareLINET@cms.hhs.gov.

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