

Inside CMS

January 11, 2007

BAUCUS SAYS ANOC RESPONSIBILITY 'MAY' NEED TO TRANSFER TO CMS

The Senate's top Medicare lawmaker indicated last week that CMS might have to assume some responsibility for Part D plans that fail to inform patients on time about looming changes in their benefit structure. The comments came in the wake of CMS' decision to extend the Part D enrollment period for more than 200,000 beneficiaries who were not informed of such changes by a certain deadline.

"It is unacceptable that a number of drug plans failed to uphold their fundamental responsibility to give this notice to Medicare beneficiaries," newly installed Finance Chair Max Baucus (D-MT) said in an e-mail. "We need to make sure that folks are getting all of the information that they need to make a decision during the open enrollment period. CMS may need to take responsibility for making sure that vital information like this is communicated properly in the future."

Baucus' office declined to comment further about what steps the senator might take to ensure plan compliance with CMS deadlines.

Under Part D rules, plans had until Oct. 31, 2006, to send members detailed information about plan changes going into effect Jan 1. But somewhere between 200,000 and 250,000 beneficiaries did not receive the notices -- called annual notices of change (ANOC) -- on time, a CMS official told reporters during a Dec. 28 press call.

As a result, CMS has extended the enrollment deadline for the affected beneficiaries from Jan 1 to Feb. 15. Most were enrolled in plans sponsored by UnitedHealth -- one of the largest companies participating in Part D. CMS had indicated that it would release information about which other companies were also tardy with their ANOCs, but an agency spokesperson said Monday (Jan. 8) that there is nothing available yet to report.

A spokesperson for Ovation, the branch of UnitedHealth that deals with Medicare, evaded questions about the cause of the delay, saying only that it was due to a combination of factors including the "sheer volume" of ANOCs the company was required to mail out. Earlier this month The New York Times reported that one cause was a fire in a facility contracted by UnitedHealth to print the notices, but the Ovation spokesperson declined to comment on the fire or the other factors.

Unlike the traditional fee-for-service Medicare program, Part D plans can alter the structure of their benefits, including changes to premiums, co-pays and formularies. As a result, consumer advocates have pushed CMS to be clear in informing patients that their plans could change in the new year -- and urged plans to do the same.

Advocates joined Baucus in cheering CMS' recent decision to extend the enrollment deadline for affected patients, but warned that time is not the only vital consideration.

"People should make these decisions on an informed basis," said a representative of the health consumer group Families USA. "It's critically important that information be, not simply available, but also accessible and understandable. I would assume that an overwhelming majority of people were not aware that their plans might have changed."

An attorney with the **Center for Medicare Advocacy (CMA)** said CMS had not contacted advocacy groups or state health insurance programs (SHIPs) -- both of which often help seniors pick plans -- about the agency's decision to extend the deadline. "We just don't know what's going on," the CMA source said. "It makes it really difficult to counsel people."

On the issue of information clarity, CMS has been criticized by advocates before. In November, the agency ran an ad in the popular Parade Magazine suggesting that beneficiaries satisfied with their current plans should stick with them. Advocates were critical of the ad because it failed to mention that plans could change benefits Jan. 1 (see Inside CMS, Nov. 30).

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