

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



## **CENTER FOR BENEFICIARY CHOICES**

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**TO:** All Medicare Prescription Drug Plan (PDP) Sponsors

**FROM:** Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit Group

**DATE:** September 4, 2007

**SUBJECT:** Impact of Change of Ownership on Re-Assignment of Low Income Subsidy Eligible Beneficiaries for Contract Year 2008

Last year, the Centers for Medicare & Medicaid Services (CMS) issued the attached memorandum advising PDP Sponsors that failed to qualify for automatic enrollment and reassignment of low-income subsidy (LIS) eligible beneficiaries of the process they must follow if they are pursuing the sale of their PDP line of business to another sponsor that did qualify for automatic enrollments and reassignments. CMS is issuing this memorandum as reminder to PDP sponsors that they may take advantage of this opportunity for contract year 2008, provided they follow the instructions in the attached September 1, 2006 HPMS memorandum . **Please note that sponsors contemplating the sale of their PDP business must notify CMS on or before September 10, 2007 of their intention to complete such a transaction.** If you have any questions about this process, please contact Scott Nelson at 410-786-1038 or [Scott.Nelson2@cms.hhs.gov](mailto:Scott.Nelson2@cms.hhs.gov).