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NURSING HOME UPDATE

Incorrect Part D Cost Sharing Charges to Dual Eligible Beneficiaries

We are writing to inform you of a Centers for Medicare & Medicaid Services' (CMS) memorandum to Part D Plan Sponsors, dated May 5, 2006, clarifying and outlining its expectations with respect to Part D plans. In particular, the letter seeks to address confusion in the long-term care provider community regarding when an institutionalized beneficiary qualifies for a zero copayment.

According to the memorandum:

"[A]n individual is considered institutionalized and qualified for a zero copayment when he or she is a full benefit dual eligible, a resident in a long-term care facility for a full calendar month, and under a covered Medicaid stay. Qualification for the zero copayment is effective on the first day of the month in which a beneficiary is expected to remain in a long term-facility for a full calendar month stay that is covered by Medicaid."

The memorandum also seeks to mitigate incorrect cost sharing to dual eligible beneficiaries by outlining CMS' additional expectations. We encourage you to review the memorandum. If you have any questions or require additional information, please feel free to call Patrick Formato, Esq. or the other attorneys in our Health Law department at (516) 328-2300.

The memorandum is accessible on the CMS website at
<http://www.cms.hhs.gov/States/Downloads/IncorrectCopaysMemo.pdf>.