

TO: Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Office of Medicaid Management

SUBJECT: Medicare Prescription Drug Coverage

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Liaison:
Upstate 518) 474-8216 New York City (212) 417-4500

Beginning January 1, 2006 the new Prescription Drug Benefit (Medicare Part D) will provide prescription coverage under Medicare. As of that date, Medicare Part D replaces Medicaid as the primary pharmacy coverage for individuals who are in receipt of Medicaid and Medicare (referred to as dual eligibles). All Medicaid dual eligibles must be enrolled in Medicare Part D to receive drug benefits. In order to prevent a lapse in prescription drug coverage, the Center for Medicaid Services (CMS) will enroll all full benefit dual eligibles into a Medicare prescription drug plan effective January 1, 2006 auto-assigning dual eligibles during October 2005. Recipients may opt to change plans at any time. Although Medicare Part D is a "voluntary" program, New York State Law requires Medicaid applicants and recipients to enroll in Medicare as a condition of eligibility. Therefore, if an individual refuses to enroll in Medicare Part D, he/she will not be eligible for Medicaid.

Low income individuals who are not in receipt of Medicaid may receive extra help paying for their Medicare Part D monthly premiums, deductibles and co-payments. This extra help is sometimes referred to as the Low Income Subsidy. Individuals enrolled in one of the Medicare Savings Programs, either as a Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLIMB), or a Qualified Individual (QI-1), will be deemed eligible for the extra help and do not have to apply separately for this benefit. However, other low income individuals will have to apply for this extra help. The Social Security Administration (SSA) will be taking applications for this extra help beginning in July of this year.

However, if an individual contacts your office in an effort to apply for this extra help, and they are not already in receipt of Medicaid or the Medicare Savings Program, allow them to apply for either Medicaid or the Medicare Savings Program in accordance with your current procedures. If they are determined eligible for and enrolled in either Medicaid or the Medicare Savings Program, they will automatically receive this extra help. If they do not qualify for either of these programs, or do not wish to apply for Medicaid or the Medicare Savings Programs, you may direct them to the local Office for the Aging for help in applying for the Low Income Subsidy Program or they may call 1-800-Medicare (1-800-633-4227) to apply through SSA. Beginning July 1, 2005, individuals can also apply online at www.socialsecurity.gov.

Attached for your information is a letter that SSA has or will be sending to individuals who are in receipt of both Medicaid and Medicare. Also attached is a letter that SSA will be sending to individuals who are enrolled in the Medicare Savings Program. Beginning in June 2005, Medicare beneficiaries who may be eligible for extra help will be mailed an "Application for Help with Medicare Prescription Drug Plan Costs". They will be instructed to mail the application back to SSA.

The Social Security Administration has prepared training materials on how to complete the "Application for Help with Medicare Prescription Drug Plan Costs". SSA will also conduct on-site training across New York State and other states. You may have already received an invitation from SSA and/or your local Health Insurance Information, Counseling, and Assistance Program (HIICAP) or your Area Agencies on Aging (AAA).

Pending an analysis of systems and procedural changes needed by local districts to process Low Income Subsidy applications, we are not prescribing a role for local districts in this process at this time. However, local district staff are urged to attend these sessions in order to learn more about the program and the application process.

Additional information on the Part D benefit will be forthcoming.