



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number #06-06

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF
HEALTH OFFICERS, LOCAL HEALTH DEPARTMENTS
LOCAL HEALTH DEPARTMENT ELIGIBILITY STAFF**

**FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FIA
JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOEP**

RE: MEDICARE PART D PRESCRIPTION DRUG PROGRAM

PROGRAM AFFECTED: MEDICAL ASSISTANCE PROGRAM

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY: Effective January 1, 2006, the Centers for Medicare and Medicaid Services (CMS) will provide prescription drug benefits under the Medicare program for seniors and individuals with disabilities who are entitled to Medicare Part A and/or enrolled in Medicare Part B. The new program is known as Medicare Part D. Medicare recipients who now receive pharmacy benefits through Maryland's Medical Assistance or Pharmacy programs will obtain this benefit through a Medicare approved private prescription drug plan (PDP).

CMS and the Social Security Administration have teamed to implement this new program. The Social Security Administration will begin sending notices to the deemed population, those who are automatically eligible for the "extra help" (a low-income subsidy) to pay for prescription drugs, beginning May 2005. The notices, titled "Important Information from Medicare about Paying for Prescription Drugs," also have a cover introduction sheet (Attachment A). This introduction explains the basic information that will be included in the 2 versions of the notice that will be sent to beneficiaries with Medicare and Medicaid and those who are in a Medicare Savings Program (QMB/SLMB).

- ✓ Medicare customers receiving full Medicaid benefits (to include spenddown customers once they are approved for full Medicaid benefits) **do not** have to file for the subsidy; they are already determined subsidy eligible. Additionally, they will be randomly "auto" assigned to an approved PDP if they do not choose a plan by December 31, 2005.

- ✓ Medicare beneficiaries who receive partial Medicaid coverage through the Qualified Medicare Beneficiary (QMB) and Specified Low-Income Beneficiary (SLMB) programs will also be granted a full subsidy without having to file an LIS application.
 - Before a QMB or SLMB recipient can access the subsidy benefit, they must choose and enroll with a PDP. Enrollment begins November 15, 2005. QMB/SLMB recipients who have not chosen a PDP by May 15, 2006 will be auto-enrolled into a PDP by CMS.

Low-income Medicare recipients who are not dual Medicaid/Medicare recipients, SSI recipients or QMB/SLMB recipients will have to file applications for the subsidy.

While CMS will administer and monitor the drug plan itself; the Social Security Administration will determine eligibility for customers filing low-income subsidy applications (LIS), determining how much “extra help” a person will receive with required annual deductibles, monthly premiums and co-payments associated with the new program. A description of the eligibility criteria for the Medicare Part D Prescription Drug Plan and the benefits the customer will receive is included in Attachment B.

ACTION REQUIRED:

Federal regulations mandate that states assist customers with filing the low-income subsidy application. DHR has issued a supply of the SSA 1020 “*Application for Help with Medicare Prescription Drug Plan Costs*” to each local department. To view the application, go to the Social Security Administration’s website at www.socialsecurity.gov/prescriptionhelp and click on the link for “Sample: Application for Help with Medicare Prescription Drug Plan Costs.” You will be able to view the application in both English and Spanish. In May, two representatives from each local department, along with staff from the Departments of Aging and Health and Mental Hygiene attended training sponsored by the Social Security Administration on the Medicare Part D Prescription Drug Plan and how to complete the low-income subsidy application.

Beginning in June 2005, Medicare beneficiaries other than full Medicare/Medicaid, SSI and QMB/SLMB recipients will receive the LIS applications from the Social Security Administration. These applicants must apply for the cost-sharing subsidy by filing a LIS application with the Social Security Administration, or by obtaining assistance with completing the low-income subsidy application through the Local Department of Social Services (LDSS) in their jurisdiction or assistance from the Senior Health Insurance Program (SHIP) coordinators. The local departments or the SHIP coordinators must then forward the completed applications to the Social Security Administration. Once determined eligible for the subsidy by the Social Security Administration, to receive “extra help”, the applicant must then file a separate application **directly** with one of CMS’s approved PDPs for the Maryland/Delaware/Washington DC region.

When assisting the customer in completing the LIS application, local department staff will:

- 1) Use the original application and not a photocopy of the application. A photocopy will void the application.
- 2) Enter MD in the state code field and the date the application was completed in the upper right hand corner of the application marked "*For Official Use Only.*" By entering the date in this box, the customer's filing date for the low - income subsidy is protected.
- 3) Use capital letters only when entering answers.
- 4) Use only an "X" in the boxes requiring yes or no responses. Do not fill (color in) or use check marks.
- 5) Only use black ink or a # 2 pencil.
- 6) Not request or attach verifications.
- 7) Fold the application in half; **do not** fold the application more than once. **This will void the application.** Insert the completed application in the postage paid envelope included with the application packet.
- 8) Forward the applications to the following address:
Social Security Administration
Wilkes-Barre Data Processing Center
P.O. Box 120
Wilkes-Barre, PA 18767-1020

Note: Each LIS application comes with a postage paid return envelope. Local departments need to establish procedures for submitting the LIS applications to the Social Security Administration.

If customers have questions about the selection process for a PDP, please refer the customer to the SHIP coordinator for their area as listed in Attachment D.

Federal regulations also require that states determine eligibility for Medicare Part D if the applicant insists. However, the states must use the state process for taking applications, including verification requirements. States should **strongly** urge applicants to apply for the subsidy using the Social Security Administration process (**which has no verification requirements**) and to wait for a decision from the Social Security Administration. If the state makes the determination we are then responsible for notices, appeals and redeterminations. These procedures will be disseminated in a separate transmittal.

Notification to Current and Future Maryland Pharmacy Assistance Recipients Who Have Medicare

Effective January 1, 2006, Medicare/Medicaid dual eligibles and QMB/SLMB recipients will continue to receive all appropriate Medicaid benefits **except** pharmacy.

DHMH is inserting a notice with the pharmacy assistance cards informing all new pharmacy assistance recipients that the Maryland Pharmacy Assistance and Pharmacy Discount Programs will no longer provide prescription benefits to Medicare recipients after December 31, 2005.

In addition, the Maryland Pharmacy Discount Program (MPDP) will end December 31, 2005. DHMH began mailing notices to MPDP recipients in May informing them that their benefits will end and providing information about the new Medicare Part D Prescription Program (See Attachment C).

A.T. 04-36, “Medicare Drug Discount Program” is obsolete effective December 31, 2005.

Note: The Maryland Pharmacy Assistance Program remains available for all other customers that do not have Medicare.

INQUIRIES: Please direct inquiries to Deborah Weathers at (410) 767-7994 or at dweather@dhr.state.md.us.

Important Information from Medicare about Paying for Prescription Drugs

What is the Purpose of this Notice?

The “Important Information from Medicare about Paying for Prescription Drugs” notice is designed to make people who are automatically eligible for extra help paying for prescription drugs aware that Medicare prescription drug coverage is coming, and to let them know that they will get this help without needing to apply for it.

There are three versions of this notice: one for people with Medicare and Medicaid, one for people in a Medicare Savings program (MSP) and one for beneficiaries who get Supplemental Security Income.

Who Will Receive This Notice?

Medicare will mail the “Important Information from Medicare about Paying for Prescription Drugs” notice to all people with Medicare who are automatically eligible to receive extra help paying for a Medicare prescription drug plan. These individuals do not have to apply to receive the extra help, but will automatically get it.

Seven million people who have Medicaid and Medicare and are in a MSP will receive this notice, along with 400,000 people who have Medicare and SSI.

This summer other people who do not automatically get the extra help but who have been identified as potentially eligible for it, will get a different letter from the Social Security Administration (SSA) telling them that they can apply to get help from Medicare to pay the cost of prescription drugs.

When Will People Get This Notice?

Most people with Medicare and Medicaid and people in an MSP will get the Medicare notice in May 2005. People who get SSI only and people with Medicare in an MSP who live in Illinois, Wisconsin, South Carolina, Florida, Vermont and Maryland will get the notice in June, 2005.

What Should People Do Next?

People who receive this notice do not have to do anything now. In the fall of 2005, they have the opportunity to join a Medicare prescription drug plan in their area. Medicare will be sending them more information about choosing and enrolling in a Medicare prescription drug plan.

- ❖ If people who have Medicare and Medicaid do not choose a plan on their own by December 31, 2005, Medicare will enroll them in a plan. This way, they do not lose a day of prescription drug coverage once their Medicaid drug coverage ends on December 31, 2005.
- ❖ If people who are in an MSP or get SSI do not choose a plan on their own by May 15, 2006, Medicare will help them enroll in a plan (effective June 1, 2006) so they pay the lowest premium.

If people have questions about the information in the notice, direct them to do the following:

- ◆ Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- ◆ Visit www.medicare.gov on the web.
- ◆ Look for their “Medicare & You” 2006 handbook in the mail this fall for more information about choosing and enrolling in a Medicare prescription drug plan.

THE MEDICARE DRUG BENEFIT, DO YOU QUALIFY FOR EXTRA HELP?

WHO'S ELIGIBLE	Level 1	Level 2
In addition to being on Medicare in 2005 you must be receiving the following:	Full Medicaid benefits and income no higher than \$9,570 (single) or \$12,830 (couple)*	Medicaid (but with income higher than level 1)*; or SSI (without Medicaid); or Medicare premiums paid by your state
Value of assets (not including your home, vehicles, burial plots or personal possessions)	Not Applicable	Not Applicable
To find out eligibility	Automatically enrolled	Must Apply
WHAT YOU GET		
Drug Coverage	Full (no gap)	Full (no gap)
Monthly premium	\$0	\$0
Annual Deductible	\$0	\$0
Co-payment per prescription	\$1 for generics, \$3 for brands (\$0 if you're in a nursing home)	\$2 for generics \$5 for brands
Co-payment under catastrophic coverage	\$0	\$0

Note: Everyone with Medicare is eligible for Medicare Part D; however, those with incomes and resources that exceed the standards are not eligible for extra help.

THE MEDICARE DRUG BENEFIT, DO YOU QUALIFY FOR EXTRA HELP?

WHO'S ELIGIBLE	Level 3	Level 4
In addition to being on Medicare in 2005 you must be receiving the following:	Income no higher than \$12,919 (single or \$17,320 (couple)	Income no higher than \$14,355 (single) or \$19,245 (couple)
Value of assets (not including your home, vehicles, burial plots or personal possessions)	No more than \$7,500 (single) or \$12,000 (couple)	No more than \$11,500 (single) or \$23,000 (couple)
To find eligibility	Must Apply	Must Apply
WHAT YOU GET		
Drug Coverage	Full (no gap)	Full (no gap)
Monthly premium	\$0	Reduce on sliding scale based on income
Annual Deductible	\$0	\$50
Co-payment per prescription	\$2 for generics \$5 for brands	15 percent of cost of each prescription
Co-payments under catastrophic coverage**	\$0	\$2 for generics \$5 for brands

Note: Everyone with Medicare is eligible for Medicare Part D; however, those with incomes and resources exceeding the standards are not eligible for extra help.

**IMPORTANT NOTICE TO MARYLAND PHARMACY PROGRAM RECIPIENTS
WHO HAVE MEDICARE**

**BEGINNING JANUARY 1, 2006, *MEDICARE* WILL MAKE AVAILABLE
PRESCRIPTION DRUG BENEFIT FOR *MEDICARE* RECIPIENTS**

You currently get your prescription drugs through the Maryland Pharmacy Program. **Beginning January, 1, 2006, *Medicare*** will offer prescription drug coverage through a new *Medicare* prescription drug plan (PDP).

After December 31, 2005, the Maryland Pharmacy Program will no longer provide prescription benefits for persons who have Medicare.

What you must do to get “Extra Help” from *Medicare* with your prescription drug coverage:

- If you have low income and resources (including your savings and stocks, not counting your home), you may qualify for extra help from *Medicare* to cover your premiums, co-pays, and deductibles that will be charged by your prescription drug plan.
- To apply for the extra help, you will receive an application this summer. You must fill in and send your application back to the Social Security Administration (SSA). If you have questions or need help, you can call SSA at 1-800-772-1213 or the Maryland Department of Aging at 1-800-243-3425.
- Beginning July 1, 2005, you may also apply for the extra help by using the Internet at www.socialsecurity.gov.

WHAT YOU MUST DO TO GET PRESCRIPTION DRUG COVERAGE FROM MEDICARE

- You must join a Medicare prescription drug plan
- Watch your mail in **October 2005** for your “Medicare & You 2006” handbook. It will list the drug plans in your area.
- The *Medicare* Prescription Drug Plans in your area will also contact you about joining their plan. Remember to check with the plan to make sure that it can meet your prescription drug needs.
- If you need help choosing a *Medicare* prescription drug plan after you get your “Medicare & You 2006” handbook, you can call *Medicare* at 1-800-633-4227. TTY users should call 1-877-486-2048. You may also ask for assistance from the Maryland Department of Aging by calling 1-800-243-3425.
- Information about the new drug plan is also available on the web at www.medicare.gov.

SHIP COORDINATORS

COUNTY	SHIP COORDINATOR	PHONE NUMBER
Allegany	Ms. Robbin Easton	(301) 777-5970 x 110
Anne Arundel	Mrs. Susan Knight	(410) 222-4464
Baltimore City	Ms. Thelma Winn	(410) 396-2273
Baltimore County	Ms. Pat Venable	(410) 887-2059
Calvert	Ms. Mary Brown	(301) 855-1170 (410) 535-4606
Caroline	Ms. Irene Garrettson	(410) 479-2535
Carroll	Ms. Susan Cronin	(410) 876-3363
Charles	Ms. Theresa Mason	(301) 934-0118 (301) 870-3388 x 5118
Cecil	Mrs. Mary Kahoe	(410) 996-5295
Dorchester	Ms. Carol Humphrey	(410) 376-3662, x 106
Frederick	Ms. Sharon Lynn	(301) 631-3522
Garrett	Ms. Lynda Weeks	(301) 334-9431 1-888-877-8403
Harford	Ms. Janet Wright	(410) 638-3025
Howard	Ms. Jeanette Krapcho	(410) 313-7392
Kent	Ms. Kim Porter	(410) 778-2564
Montgomery	Ms. Leta Blank	(301) 590-2819
Prince George's	Ms. Julie Neal	(301) 265-8471
Queen Anne's	Ms. Kia Reed	(410) 758-0848
Somerset	Ms. Carol Humphrey	(410) 742-0505 x 106
St. Mary's	Ms. Debbie Barker	(301) 475-2000 x 1064
Talbot	Ms. Peggy Vance	(410) 822-2869
Washington	Mrs. Katrina Eversole	(301) 790-0275 x 208
Wicomico	Ms. Carol Humphrey	(410) 742-0505, x 106
Worcester	Ms. Carol Humphrey	(410) 742-0505, x 106