

## 2931 – MEDICARE PART D AND LOW INCOME SUBSIDY

<b>POLICY STATEMENT</b>	<p>Beginning January 1, 2006, a new Medicare program will provide prescription drug coverage for Medicare recipients. This program is a part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and is called Medicare Part D. There will be a variety of plans from which the Medicare recipient may select coverage. Medicare recipients may also decline Part D coverage altogether. December 31, 2005, is the last day a Medigap Plan with prescription coverage will be available with the prescription benefit. Anyone with one of those plans can continue with that plan “as is” or with the prescription portion dropped. The Medigap Plan’s prescription coverage will not be as good as the Medicare Part D prescription coverage.</p> <p>A Low Income Subsidy (LIS) is also available for some low income recipients to help defray the costs of the Medicare Part D coverage. Refer to <a href="#">Section 2146</a>, Low Income Subsidy, for completing the Low Income Subsidy Application (LISA).</p> <p>A/Rs who receive Medicare AND FULL Medicaid benefits in Georgia will no longer have their prescriptions covered through Medicaid, but through Medicare Part D as of January 1, 2006. If these A/Rs decline Part D coverage, they will no longer have any drug coverage through Medicaid.</p>
<b>BASIC CONSIDERATIONS</b>	<p>The Medicare Part D program will work like an insurance policy in the following ways:</p> <ul style="list-style-type: none"> <li>• The Medicare recipient selects a plan based on which plan provides the best coverage for his/her needs.</li> <li>• There will be a monthly premium to pay.</li> <li>• There will be a deductible .</li> <li>• There will be a co-pay.</li> </ul> <p>See Appendix A-1 for approximate cost of premiums, deductibles, out of pocket costs, etc.</p> <p>The prescription coverage will be provided through:</p> <ul style="list-style-type: none"> <li>• Prescription Drug Plans (PDPs)</li> <li>• Medicare Advantage Plans (MA-PDs)</li> </ul> <p>To be eligible for the Part D coverage, the Medicare recipient must:</p> <ul style="list-style-type: none"> <li>• Be entitled to Medicare Part A and/or enrolled in Medicare Part B</li> </ul>

**BASIC  
CONSIDERATIONS  
(cont.)**
**Enrollment**

- Reside in their chosen plan's service area
- Must enroll in a Medicare prescription plan in order to get the Medicare Part D drug plan.

A Medicare recipient may be enrolled by:

- Themselves, directly with the drug plan sponsor
- A personal representative
- Enlisting the assistance of others, such as GeorgiaCares or DFCS.

Refer recipients who wish to enroll in a Medicare Part D Plan to GeorgiaCares beginning October 2005 at 1-800-669-8387. Recipients may compare drug plans online beginning October 13, 2005, at [www.medicare.gov](http://www.medicare.gov) - "Finding a Medicare Prescription Drug Plan. They may also call 1-800-MEDICARE (1-800-633-4227) or TTY users, call 1-877-486-2048.

If a Medicare recipient waits to enroll beyond the enrollment period, there may be a higher monthly premium. There could be a 1 % increase in the monthly premium for every month someone waits to enroll. This increase in premiums would be for those:

- Who were eligible but did not enroll and
- Who had drug coverage that was NOT at least as good as a Medicare prescription drug plan.

**NOTE:** The source of the prescription coverage should notify the Medicare recipient if their prescription plan is at least as good as the Medicare prescription drug coverage.

**Medicare Part D Initial  
Enrollment Period**

The Initial Enrollment Period for Medicare Part D is November 15, 2005, through May 15, 2006. This is the time frame for current Medicare recipients or those who will become eligible in November or December 2005 and January 2006. For all others, there is a 7 month enrollment period as follows:

- Three months before Medicare eligibility begins
- The month Medicare eligibility begins
- Three months after Medicare eligibility begins

**BASIC  
CONSIDERATIONS  
(cont.)**
**Automatic  
Enrollment**

Medicare recipients who receive FULL Medicaid benefits (not Q Track only) have until December 31, 2005, to select and enroll in a Part D plan. If this has not been done by the end of 2005:

- They will be automatically enrolled in a Medicare prescription drug plan.
- Their coverage will begin January 1, 2006.
- They may change their Medicare Part D plans monthly.

**NOTE:** Beginning January 1, 2006, Medicare recipients who apply for and are eligible for any type of Medicaid, including AMN and Q Track, will automatically be enrolled, if not already enrolled, in Medicare Part D effective the month following the month in which eligibility is determined. DCH will cover prescriptions until the Part D coverage begins. The LIS is effective the first month of Medicaid eligibility. However, there will be no reimbursement of co-pays, deductibles or premiums for the Part D already paid. Automatic enrollment of one member of a spouse for Part D and/or LIS does not automatically enroll the non-Medicaid member of the couple. Complete the LIS for the non-Medicaid individual but include income and resource information on the spouse and have the spouse sign the LIS also.

**Facilitated Enrollment**

The following Medicare recipients have until May 15, 2006, to select and enroll in a Medicare Part D Plan:

- Those who receive Q Track only Medicaid
- Those who are not receiving any Medicaid assistance, but who have applied for and have been determined eligible for the LIS.

If enrollment in a Part D Plan has not been done by the end of the Initial Open Enrollment:

- They will be automatically enrolled in a Medicare Prescription drug plan.
- Their coverage will begin June 1, 2006.
- They will have a one-time opportunity to change to another Medicare prescription drug plan of their choice without waiting for the next enrollment period.

**BASIC  
CONSIDERATIONS  
(cont.)****Annual Election  
Period**

There will be an Annual Election Period each year from November 15 through December 31. During this time period, the eligibility for Medicare Part D will be reviewed and if the individual is not a Medicaid recipient, this is when s/he may select a different plan. Medicare recipients who are Full Medicaid recipients may switch plans monthly.

**Special Enrollment  
Period**

There may also be times when a Special Enrollment may occur. An enrollment or a change in plan may also occur under the following circumstances:

- When a Medicare recipient moves out of their plan's service area
- When an involuntary loss, reduction or non-notification of creditable coverage occurs
- Other exception circumstances.

**Disenrollment**

A Medicare recipient may voluntarily disenroll from Medicare Part D only during:

- Annual Election Period
- Special Enrollment Period.

A Medicare recipient enrolled in Medicare Part D will be involuntarily disenrolled when s/he:

- Permanently moves out of the service area
- Loses eligibility for Medicare prescription drug coverage
- Dies
- Is enrolled in a plan that is terminating its contract
- Misrepresents third party Medicare prescription drug plan coverage.

A Medicare recipient may also be disenrolled for:

- Not paying their monthly premium in a timely manner
- Disruptive behavior.

## BASIC CONSIDERATIONS

### Low Income Subsidy

Beginning in May 2005, the Social Security Administration (SSA) is launching an outreach campaign regarding Medicare Part D low-income subsidies. These subsidies are geared to help pay all or some of the costs involved to the individual with the Medicare Part D Plan, such as deductibles, monthly fees, co-pays, etc. May 27 through August 16, 2005, SSA will mail low-income subsidy applications (LISAs) to potentially eligible groups. There are three identified groups of Medicare recipients who are potentially eligible for the low-income subsidy. Each group has a different level of benefit from the subsidy. See Appendix A-1 for the current benefit level. The low-income subsidy groups are:

- Group 1 – Medicare recipients who receive FULL Medicaid benefits. This will include SSI recipients and all Full Medicaid recipients. This would not include Q Track only A/Rs.
- Group 2 – Medicare recipients who are Q Track only and those not currently receiving Medicaid but have income below 135% of the Federal Poverty Level (FPL) with limited resources.
- Group 3 – Medicare recipients whose income is below 150% of the FPL and who have limited resources.

### Deemed Eligible for Low Income Subsidy

Certain Medicare/Medicaid recipients will be deemed eligible for the LIS and do not need to file a separate application for the LIS. Deemed eligibles include:

- Medicare recipients with full Medicaid benefits (not Q Track).

**NOTE:** If an AMN client meets spenddown, they are considered deemed eligible for the remainder of the enrollment period and do not have to reapply for the LIS even if spenddown is met for only one month.

- Medicare recipients with Medicare Savings Program benefits (Q Track).

### Medicare Part D Fraud and Abuse

For fraud, waste and abuse complaints regarding Medicare Part D, CMS has established Medicare Drug Integrity Contractors (MEDICs) to assist with this analysis. The MEDIC for the Atlanta Region is Health Integrity. They may be contacted at 1-877-772-3379 or [MEDICinfo@healthintegrity.org](mailto:MEDICinfo@healthintegrity.org) or by fax at 410-819-8698.

**BASIC  
CONSIDERATIONS  
(cont.)****Medicare  
Advantage Plan**

The Medicare Advantage Plan fully supplants Medicare. However, the Medicare recipient is still considered Medicare eligible; the plan just covers the services that Medicare currently covers. The plan may offer extra benefits such as extra days in the hospital, lower co-payments and prescription drug coverage. For these extra benefits, there may be an additional premium paid to the plan. Also, the plan may restrict the member to seeing doctors that belong to the plan or to certain hospitals for services. These members may still want to receive Q Track Medicaid for payment of their Medicare premiums, etc, and they are potentially eligible for Medicare Part D and the LIS.