



MARCH MADNESS FOR MEDICARE BENEFICIARIES

March Madness for Medicare beneficiaries does not involve basketball playoffs. Instead, March Madness refers to the need for Medicare beneficiaries to enroll in Medicare Parts A and/or B, or to apply for the \$600 credit (transitional assistance) under the Medicare prescription drug discount card program in order to get the full benefits to which they are entitled.

2005 \$600 Credit Toward Prescription Drug Costs

Individuals with low-incomes may be eligible for transitional assistance in the form of a \$600 credit toward the cost of their prescriptions if they apply for and enroll in a Medicare-approved prescription drug discount card. However, individuals who apply for the credit *after* March 31, 2005, will have their credit reduced by \$150 for each quarter of the year that they delay enrollment. Thus, eligible individuals must apply by March 31 to get the full \$600.

General Enrollment Period

Medicare beneficiaries who have delayed enrolling in the entire Medicare program, or who have delayed enrolling in Medicare Part B, or who are enrolled by a state in Part B but not in Part A, have an opportunity to enroll during the general enrollment period each year. The general enrollment period ends on March 31, with coverage effective July 1. After March 31, individuals who have not enrolled in Medicare (either in whole or in part) cannot enroll until next year's general enrollment period, which will run from January 1 – March 31, 2006. This delay could have a significant effect on Medicare prescription drug coverage.

Effect on Part D Drug Coverage

Individuals who have Medicare Part A but not Medicare Part B may still enroll in the Medicare Part D prescription drug program starting in November 2005. Those with Part B but not Part A may also enroll in a Part D plan. However, Medicare Part D will not pay for any drugs that could have been paid for under Medicare Part A or Medicare Part B, *even if the beneficiary does not have Part A or Part B.* Thus, someone who has Medicare Part A (but not Part B) and a drug plan under Part D will not have Medicare coverage for drugs that are administered incident to a doctor's visit under Part B.

Individuals for whom the state Medicaid program purchases Part B but not Part A will also be eligible to enroll in Part D; many will be deemed eligible for the low-income

subsidy. Those who are eligible for full-Medicaid and who have only Part B will be considered “dual eligibles” and will automatically be enrolled in a Part D plan. But, similar to the example above, if they need a drug that would be covered under Part A, there will be no coverage for it under Part D. Remember, Medicaid will no longer pay for drugs for people who are dually eligible. Because of this loss of Medicaid coverage, we believe that Medicaid will not be available to pay for drugs that the Part D plan won't cover because they otherwise would be covered under Part A, even if the dually eligible person does not have Part A.

Individuals with full Medicaid and Medicare Part B who do not have premium-free Part A should check to see if their state has also purchased Part A for them. If not, they should ask the state to do so. In most states, this can be done at any time. However, several states require that individuals enroll in Part A during the General Enrollment Period described above. In the states of Alabama, Arizona, California, Colorado, Illinois, Kansas, Kentucky, Louisiana, Missouri, Nebraska, New Jersey, New Mexico, Oregon, South Carolina, Utah and Virginia, enrollment should be undertaken before March 31, 2005 to guarantee Part A coverage in time for the Part D benefit beginning in 2006.

It is imperative that advocates work to enroll their clients in Medicare and assist them in applying for the \$600 credit before March 31.

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