



MARK YOUR CALENDARS! A TIMETABLE FOR MEDICARE PART D IMPLEMENTATION

Anyone enrolled in Medicare or who helps people with Medicare needs to watch for many upcoming events in 2005 as the new Medicare Part D prescription drug program moves towards its January 1, 2006 start date. People who provide direct client services will need to prepare for a possible influx of requests for assistance as older people and people with disabilities start learning about the Part D program. Those who are guardians for Medicare beneficiaries will have to make a decision on behalf of their wards concerning enrollment in a Part D plan. Those who employ Medicare beneficiaries may have to take action as employers. Even advocates who do not handle Medicare cases, but who do work with older people and people with disabilities, may start to receive calls and may want to send information to clients as implementation of the Part D drug benefit begins in earnest.

The following calendar outline provides guidance for advocates who are called on to help people navigate the complex, and untested waters of Medicare Part D. Exact dates are given only where they are statutorily created or have been announced by the Centers for Medicare & Medicaid Services (CMS).

March 2005: The Social Security Administration (SSA) will test mail its low-income subsidy letter and application to 2000 beneficiaries in 41 zip codes. SSA will measure the effectiveness of the letter by how many applications are returned

May 2005: SSA will begin sending notices to 20 million Medicare beneficiaries - almost half of all beneficiaries - informing them that they may be eligible for a low-income subsidy to assist with their Medicare Part D premiums and co-payments. The mailing will continue through mid-August. The notice will also include an application form for the low-income subsidy. Beneficiaries may complete and submit the forms for future evaluation by SSA and/or state Medicaid agencies.

June 2005: CMS will send notices to beneficiaries who are deemed eligible for the low-income subsidy to tell them they do not have to apply for the subsidy.

July 1, 2005: SSA offices and state Medicaid agencies will begin making eligibility determinations on applications for the low-income subsidy. Applications will also be taken on-line and by telephone.

Fall 2005: Parties outside the federal government will also have responsibilities to implement Part D. These include:

- **Medicaid agencies** will send notices to dual eligibles that they will be losing their Medicaid prescription drug coverage and will be enrolled in a Medicare Part D plan.
- **Employers** will have to send notices to the individuals for whom they provide health insurance, either as an active worker, retiree, or dependent, explaining whether the insurance meets the definition of "creditable coverage," i.e., provides a drug benefit that is "actuarially equivalent" to the Part D benefit. Separate notice rules may apply to drug coverage through a retiree health plan for which the employer receives a subsidy. If the drug benefit meets the definition of creditable coverage, then the individual may choose not to enroll in a Part D plan, and will not be charged a late penalty for delayed enrollment if he or she decides later to enroll in Part D. If the coverage is found *not* to be creditable coverage, then an individual *will* be penalized for delayed Part D enrollment.
- **Medigap issuers** that offer Medigap policies H, I, and J - the policies that include prescription drug coverage - will have to send notice to individuals with those policies. The notices must explain the changes to Medigap policies H, I and J, the options available for people who hold one of those policies, and whether the policies meet the definition of creditable coverage.

Early Fall: CMS will notify dual eligibles of the Part D plan in which they will be auto-enrolled as soon as enough information about Part D plans is available.

October 15, 2005: CMS will send information to all Medicare beneficiaries describing the Part D plans that will be available to them.

November 15, 2005 - May 15, 2006: "Initial enrollment" period for the Part D program for all beneficiaries. *Existing beneficiaries who enroll after May 15, 2006, will have to pay a penalty for late enrollment unless they can show that they had creditable drug coverage under another drug plan.*

January 1, 2006: Dual eligibles lose Medicaid coverage for their prescription drugs. Medicare Part D prescription drug program commences.

The Center for Medicare Advocacy will continue to provide updates about Medicare Part D as CMS develops further guidance and as implementation of the program begins. Check out our web site at www.medicareadvocacy.org for the latest information.

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