



CMA Monthly Medicare Column – June, 2005

MEDICARE PART D LOW INCOME SUBSIDY INFO ON ITS WAY

This month, the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA) have started outreach efforts to Medicare beneficiaries who may be eligible for the Medicare Part D low-income subsidy. The subsidy helps pay for some Medicare prescription drug costs under the new prescription drug benefit. Low-income subsidy applications will be processed starting July 1, 2005. The Medicare prescription drug benefit goes into effect January 1, 2006.

The low-income subsidy helps pay the premiums, deductible, co-payments and the coverage gap under the new drug benefit. Assistance varies with income. People with full Medicaid and Medicare, people in Medicare Savings Programs, people with supplemental Social Security Income and those with incomes up to 135% of federal poverty level and assets not more than \$6,000/individual or \$9,000/couple have no premium, deductible or coverage gap. In 2006 their co-payments will be \$1 or \$2 for generic or preferred drugs and \$3 or \$5 for other drugs, depending on their income. Persons who have Medicare and Medicaid and live in nursing homes will not have to pay the co-payments. People with incomes up to 150% of poverty federal level and with assets not more than \$10,000/individual or \$20,000/couple can receive a partial subsidy. They pay a sliding scale premium, a \$50 deductible, 15% coinsurance up to the catastrophic threshold, then \$2 for generic or preferred drugs and \$5 for brand name drugs. They also have no coverage gap.

This month CMS began sending notices to people who are “deemed eligible” for the low-income subsidy and who do not have to apply for it. This group includes people with full Medicaid coverage, people who receive SSI but not Medicaid, and people enrolled in one of the three Medicare Savings Programs (QMB, SLMB or Q1) that helps pay for the Medicare premium, deductible and co-payment amounts. People who are eligible because they have SSI but not Medicaid will receive their notices in June.

Also this month, the Social Security Administration will begin sending notices regarding the low-income subsidy to Medicare beneficiaries who *may* be eligible for extra help. The notices will give beneficiaries information about the low-income subsidy and inform them that they can apply through Social Security. An application and a return envelope will be included with the notification.

While these individuals can apply for the low-income subsidy through Social Security, beneficiaries can also apply with their local State Department of Social Services (DSS) office. The advantage of applying with DSS is that state Medicaid agencies are required

to screen applicants for all benefits to which they are entitled, including the Medicare Savings Programs. In Connecticut the eligibility criteria for the Medicare Savings Programs is more generous than the eligibility criteria for the low-income subsidy. Therefore, individuals who are found to be eligible for one of the Medicare Savings Programs are automatically eligible for the low-income subsidy, even though they would not otherwise meet the income and asset requirement of the low-income subsidy.

Beneficiaries who believe that they may be eligible for the low income subsidy should apply with SSA or DSS. Beneficiary's needing assistance can also contact either the CHOICES program at 1-800-994-9422 or the Center for Medicare Advocacy at 1-800-262-4414 for assistance.

The Center for Medicare Advocacy, Inc. is a national, non-partisan education and advocacy organization that promotes fair access to Medicare and health care. The Center's national office is in Mansfield with offices in Washington DC and throughout the country. For more information contact Attorney Lara Stauning at (860)456-7790 or visit the Center's website: www.medicareadvocacy.org. Se habla espanol.