



CMA WEEKLY ALERT, OCTOBER 13, 2005

## THE LOW-INCOME BENCHMARK PREMIUM AMOUNT DEFINED

The Medicare Prescription Drug, Improvement and Modernization act of 2003 (MMA) provides extra help (a subsidy) with prescription drug costs for eligible individuals whose income and resources are limited. This help takes the form of subsidies paid by the Federal government to the drug plan in which the Medicare beneficiary enrolls. According to the Centers for Medicare and Medicaid Services Guidance to States on Low Income Subsidy, CMS estimates that there are about 14.4 million people with Medicare who will be eligible for the extra help in the first year of the Medicare prescription drug program. The 14.4 million people are about a third of the estimated 43 million Medicare beneficiaries in 2006.

In its October 6, 2005 *Weekly Alert*, the Center for Medicare Advocacy reported that the 2006 *Medicare & You Handbook* contained incorrect information in the charts in the regional supplements to the Handbook. The comparative charts incorrectly state that the full premium will be covered for every plan. Corrected versions of the regional Handbooks are now available at [www.medicare.gov](http://www.medicare.gov).

For people who qualify for the low income subsidy, only the low-income benchmark premium amount or lower will be covered. The low-income benchmark premium is equal to the weighted average of premiums of all prescription drug plans offered by the same PDP or a weighted average of premiums of all prescription drug plans offered by multiple PDP sponsors in a region. A low-income subsidy may not be less than the lowest monthly beneficiary premium for a prescription drug plan that offers basic prescription drug coverage in a region. 42 U.S.C. § 1395w-114(b). The following low-income premium subsidy amounts can be found at [www.cms.hhs.gov/healthplans/rates](http://www.cms.hhs.gov/healthplans/rates).

| State(s)      | Subsidy Amount | State(s)       | Subsidy Amount |
|---------------|----------------|----------------|----------------|
| 1. NH, ME     | 36.09          | 18. MO         | 31.37          |
| 2. CT, MA, RI | 30.27          | 19. AR         | 35.45          |
| 3. NY         | 29.89          | 20. MS         | 36.39          |
| 4. NJ         | 31.37          | 21. LA         | 34.14          |
| 5. DE, DC, MD | 33.46          | 22. TX         | 31.68          |
| 6. PA, WV     | 32.59          | 23. OK         | 35.13          |
| 7. VA         | 34.42          | 24. KS         | 33.44          |
| 8. NC         | 36.30          | 25. IA, MN, MI | 33.11          |
| 9. SC         | 34.88          | 26. NM         | 25.95          |
| 10. GA        | 33.15          | 27. CO         | 28.92          |
| 11. FL        | 29.07          | 29. AZ         | 24.62          |
| 12. AL, TN    | 32.33          | 30. NV         | 23.46          |
| 13. MI        | 33.22          | 31. OR, WA     | 30.60          |
| 14. OH        | 30.69          | 32. ID, UT     | 33.62          |
| 15. IN, KY    | 35.69          | 33. CA         | 23.25          |
| 16. WI        | 31.27          | 34. HI         | 27.44          |
| 17. IL        | 31.60          | 35. AK         | 34.66          |

These amounts represent challenges for individuals receiving the low income subsidy who choose a plan with a premium higher than the benchmark because they will be required to pay the difference. Individuals who are auto-enrolled in a plan will be placed into a plan that offers the standard benefit and that has a premium at or lower than the benchmark in their region.

*For more information on Part D premiums, contact Rebecca Ganci ([rganci@medicareadvocacy.org](mailto:rganci@medicareadvocacy.org)) in the Center for Medicare Advocacy's Connecticut office at (860) 456-7790.*



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## **QI PROGRAM UPDATE**

Last week's *Weekly Alert* discussed the expiration of the QI program, through which qualified individuals can have their Medicare Part B premium paid by the state Medicaid program. Legislation to restore the program has passed the House of Representatives and been returned to the Senate. It is expected that the Senate will also pass this legislation, as they previously approved something similar, and the current legislation is linked to relief for Hurricane Katrina victims.

It is important to note that some states, such as Connecticut, may still have funds available for the QI program. Individuals who may be eligible should check with their state Department of Social Services, as applications may still be accepted.