



SENIOR HEALTH NEWS



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The Pennsylvania Health Law Project Help-Line
-800.274.3258



Update on Medicare Prescription Drug Benefit

The Medicare Prescription Drug Benefit begins January 1, 2006. This is a voluntary benefit, and anyone who has Medicare Part A and/or Part B can choose to sign up for this coverage. Full dual eligibles (people who have Medicare and have Medical Assistance that includes coverage for prescription drugs) will lose their drug coverage through Medical Assistance on December 31, 2005 and will need to enroll in the Medicare Prescription Drug Benefit for coverage.

Consumers who want to join the Medicare Prescription Drug Benefit will enroll in a Medicare Prescription Drug Plan. Medicare Prescription Drug Plans can either be stand-alone plans that only provide prescription drug coverage or Medicare Managed Care Plans that include prescription drug coverage as part of the benefit package. Each Plan will differ in terms of costs, drugs covered, and pharmacy network. The Initial Enrollment Period for the Medicare benefit begins 11/15/2005 and ends 5/15/2006. Consumers who do not sign up during this time period and who do not have creditable coverage (coverage that is as good as or better than the Medicare Prescription Drug Benefit) will have to pay a higher premium when they do join.

Consumers with limited income and assets can qualify for a subsidy to help them with the costs of the Medicare Prescription Drug Benefit. Dual eligibles (those consumers who have both Medicare and Medical Assistance) will

automatically qualify for the subsidy and do not need to apply for this help. All other Medicare consumers will have to meet income and asset guidelines and will need to apply for the subsidy.

Below is a description of some of the latest updates in regard to implementing the Medicare Prescription Drug Benefit:

Mailings by Social Security and Medicare Have Begun

Both Social Security and Medicare have begun mailing information to consumers about the Medicare Prescription Drug Benefit and the low-income subsidies available to consumers with limited income and assets. Social Security began mailing applications for the low-income subsidy programs to individuals at the end of May. These applications will be sent out in waves throughout the summer based on an individual's social security number. This means that Medicare consumers living in the same household may not receive the mailed application at the same time. Consumers must complete and submit the original application in order to apply for the low-income subsidy programs. These applications can be viewed online at www.ssa.gov/organizations/medicareoutreach2/.

Medicare also began sending notices at the end of May to dual eligible consumers (individuals who have both Medicare and Medical Assistance) to let these consumers know

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that the drug benefit begins January 1, 2006. These notices tell dual eligible consumers that they will automatically qualify for the subsidy programs and do not need to apply for this help. Copies of these notices can be found on the Centers for Medicare & Medicaid Service Website at <http://www.cms.hhs.gov/medicarereform/lir.asp>.

Medicare Will Facilitate Enrollment into Prescription Drug Plan for Individuals Found Eligible for the Low-Income Subsidies

Medicare has announced that it will expand the population it is going to help enroll into Medicare Prescription Drug Plans to include individuals who are found eligible for low-income subsidies. Medicare plans to enroll dual eligibles (those who have Medicare and Medical Assistance) and those who are found eligible for the low-income subsidies as follows:

- Full dual eligibles (those who have Medicare and who currently get their prescription drug covered through Medical Assistance): These individuals will be auto-enrolled into a Plan for coverage effective January 1, 2006 unless they enroll into a Plan on their own by December 31, 2005.
- Other dual eligibles (those who have Medicare and Medical Assistance that does not include prescription drug coverage) and those individuals who have applied and been found eligible for the Subsidy programs: These individuals will be enrolled into a Medicare Prescription Drug Plan effective June 1, 2006 if they have not enrolled into a Plan on their own by May 15, 2006.

Other dual eligibles and those individuals found eligible for the subsidy will receive notification in Spring 2006 about the Plan into which they will be enrolled if they fail to enroll in a Plan on their own.

Recent Coverage Clarifications

There have been two recent clarifications about what Medicare Prescription Drug Plans will be required to cover under the Medicare Prescription Drug Benefit. Each of the clarifications is a positive step toward ensuring that vulnerable consumers have access to the drugs they need, but consumers still may experience problems in accessing their medications when the benefit begins.

1) Medicare Prescription Drug Plans Required to Cover Drugs in Six Categories

CMS recently announced that they will require that all plans cover “all or substantially all” of the drugs in the following six categories:

- Antidepressant
- Antipsychotic
- Anticonvulsant
- Anticancer
- Immunosuppressant
- HIV/AIDS

“Substantially all” means that all drugs available on January 1, 2006 (including generic and older brand-name drugs) must be included on a Medicare Prescription Drug Plan’s formulary.

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Any new drug in one of these six categories that becomes available after January 1, 2006 will have to go through the Plan's Pharmacy and Therapeutic Committee review and approval process to determine whether it will be included on the plan's formulary. There are certain exceptions to this requirement, and the plans are not required to include all dosages of drugs on their formulary. Furthermore, there is no requirement that these medications must be placed at the lowest cost-sharing tier. This means that individuals could still have difficulty accessing medications if placed on a higher cost-sharing tier. This requirement is only in effect for 2006. CMS will revisit this policy for the following years.

2) Plans Are Required To Provide A Temporary Supply of Non-Formulary Drugs for Nursing Home Residents During the Exceptions Process

CMS has made a recent clarification to the Long-Term Care Guidance that was issued on March 16, 2005. This clarification states that all Medicare Prescription Drug Plans will be required to cover a temporary supply of non-formulary Part D drugs for nursing home residents while an exception request is being processed. Consumers can request an exception when they need coverage for a drug that is not on their Medicare Prescription Drug Plan's formulary. The Plan then decides whether to cover that particular drug for the consumer. This new requirement will help ensure that residents of nursing homes have access to necessary medications and do not experience a coverage gap while their exception request is being processed.

Stay tuned to the Senior Health News and www.phlp.org for more updates.

Deadline To Receive \$450 Credit With A Medicare Drug Discount Card Is Approaching

Medicare beneficiaries who meet certain income requirements are eligible to receive a credit toward their prescription drug expenses when they enroll in a Medicare-approved drug discount card. In order to qualify for the credit, an individual's income must be below \$1077/month and a married couple's income must be below \$1443/month.

Consumers who have not yet enrolled into a Medicare Drug Discount Card, or those who have a discount card without the credit, must apply by June 30, 2005 to receive a \$450 credit. This is the date that the drug card sponsor must receive the completed application. Qualified consumers who apply for the credit after June 30, 2005 will only receive a \$300 credit and those who apply after September 30, 2005 will only receive a \$150 credit.

The Medicare Drug Discount Card Program will end May 15, 2006. Consumers can continue to use their Medicare Drug Discount Cards and any remaining credit until that date. If a consumer enrolls in a Medicare Prescription Drug Plan (PDP) before May 15, 2006, he/she will be disenrolled from the Medicare Drug Discount Card Program once their coverage through the PDP becomes effective.

If you have questions about the Medicare Drug Discount Card Program or your eligibility for the credit, please call the PHLP Helpline at (800) 274-3258.

PHLP Encourages Medicare Consumers to Apply for the Low-Income Subsidies for the Medicare Prescription Drug Benefit through DPW rather than SSA

The Medicare Prescription Drug Benefit which begins January 1, 2006 has significant costs. Consumers who enroll in this coverage will have to pay a monthly premium (expected to average \$37/month for a basic plan), meet an annual deductible (\$250), and pay significant cost-sharing for their drugs (pay a certain percentage of their drug costs until they spend \$3600 a year and then pay small co-pays).

Medicare consumers with limited income and assets can qualify for a subsidy to help with the costs of the benefit. The amount of help an individual gets through the subsidy will depend on his/her income and assets. In order to qualify for a subsidy, an individual must meet the following income and asset guidelines:

	Income	Assets
Single person	Less than \$1197/ month	Less than \$10,000
Married person	Less than \$1,604/ months	Less than \$20,000

NOTE: Dual eligibles (individuals who receive both Medicare and Medical Assistance) automatically qualify for the subsidy and they do not need to apply for this help. This includes dual eligible individuals whose income may be higher than the limits listed above and those who just get help from Medical Assistance in paying their Medicare Part B Premiums.

Mailing Applications to Consumers Is Underway

The Social Security Administration began mailing applications for the subsidy programs to consumers with limited incomes at the end of May. In order to apply for the subsidies, individuals or their representatives must complete the original application and submit it to either the Social Security Administration or the PA Department of Public Welfare. Applications can also be obtained through the local Social Security Administration offices or the local County Assistance Offices of the Department of Public Welfare (DPW).

Application Process

PHLP encourages consumers to apply for the subsidy programs through the PA Department of Public Welfare (DPW) rather than through the Social Security Administration. Consumers who

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apply through DPW will be determined for eligibility for the Medicare Savings Programs. Individuals who qualify for the Medicare Savings Programs get help with their Medicare cost-sharing (includes premiums and possibly deductibles and co-payments). Consumers who apply via the Social Security Administration will not be determined for these additional benefits.

An individual can take or mail their completed application to their local DPW County Assistance Office. The County Assistance Office staff is required to help an individual in completing their application if requested. If an individual mails their completed application, they should note on the application that they want a "State determination of their low-income subsidy eligibility". The individual will then be screened to determine their eligibility for the Medicare Savings Programs.

If the individual is found eligible for one of the Medicare Savings Programs, they will be enrolled into that Program and then will automatically qualify for the low-income subsidy for the Medicare Prescription Drug Benefit. If they are not found eligible for the Medicare Savings Programs, the individual can ask the State to determine their eligibility for the low-income subsidy. If they do not ask that the State determine their eligibility, their application will be forwarded to the Social Security Administration for processing. The individual will receive a notice telling them whether or not they qualify for a low-income subsidy from whoever processed the application-either DPW or SSA. Appeals from decisions will also be handled by whoever sent the eligibility notice.

If consumers have questions about the low-income subsidy applications process or to find out the location of your local County Assistance Office, please contact the PHLP Helpline at 1-800-274-3258.



Bridge Program Ending

The Bridge program will be ending enrollment as of June 30, 2005. This program allows people over 65 who have too many resources to receive services in their home rather than moving into a nursing home. Consumers in the Bridge program pay for a portion of their services until they have used up enough of their resources to get into the Aging waiver, administered by the Pennsylvania Department of Aging. The resource limit for the Aging waiver is \$8000. The Aging waiver, like the other home-and-community-based waivers in Pennsylvania, only looks at the resources of the person needing the services. This means that the Aging waiver won't count the resources of a spouse if the spouse is not applying for services. Many people who use the Bridge program are single people who do not have a spouse to split up their resources. Consumers who have been using the Bridge program will be able to continue getting services as long as they are eligible. However, no new consumers will be enrolled.

Personal Care Home Regulations Implementation update

The Personal Care Home regulations, which were finalized in February 2005, are in the process of being implemented by the Department of Public Welfare. Many of the regulations will take effect in October 2005. Others will not take effect until the following year. Karen Kroh, who is in charge of the implementation of the new regulations for the Department of Public Welfare, has drafted a tool to be used by the Personal Care Home Licensing representatives in enforcing the new regulations. DPW is also developing training materials for its own employees as well as for personal care home administrators and staff members. The new regulations increase the number of hours of training that administrators of personal care home and staff members must go through. Administrators and employees who were working in a personal care home prior to the implementation date will not have to go through the new training. However, any new hires will have to complete the required training hours.

The Pennsylvania Health Law Project and other advocacy groups are looking closely at how these regulations are put into place and enforced. Please call the PHLP Helpline at 1-800-274-3258 if you have any questions or concerns about the new regulations or any complaints about a personal care home. Consumer education materials on the new regulations are forthcoming. Watch our website for more information.

State Bill to allow Private Companies to run Home and Community Based Service Programs Closely Watched by Advocates

A Bill that would establish a demonstration program, the "Long Term Care Integration Program" was introduced and referred to the Committee on Health and Human Services in May, 2005. This demonstration program would combine the financing and administration of long term care services funded by Medical Assistance. It would start in two counties and eventually expand across the state.

Under this Bill (also called House Bill 1595) the Department of Public Welfare would contract with a private company or companies (referred to as "care management organizations") to help consumers access long term care services. The same company would manage and coordinate the care provided to MA consumers who reside in nursing facilities as well as those getting home and community based services through any of the following waivers: the PDA waiver; the COMMCARE (traumatic brain injury) waiver; the Attendant Care waiver; the Independence waiver.

The Bill is controversial and is being opposed on several fronts. The elderly, persons with disabilities, and their advocates have expressed great concern about this major shift in the state's long term care delivery system which would remove the state and county entities (like the Area Agencies on Aging) from their current responsibility of managing and providing services and would contract these services out to a private entity or entities.

The Bill was supposed to move out of the Health and Human Services Committee but that movement was blocked as a result of advocacy by the disability community. Currently, the Bill is still in Committee. We will keep you updated about any future developments.

Survey– Please return

We would like feed back on how you are using the Senior Health News. Please take a moment to complete the following and mail it back to us. Thank you.

1. I am a:

- Senior
- Advocate
- Senior Center Employee
- Government Employee
- Other (please describe _____)

2. I share my copy with others: Yes No
If yes, who? _____

3. Do you find the Senior Health News helpful? Yes No

4. If yes, why? (check all that apply)

- Keeping up with changes to Medical Assistance for seniors
- Keeping up with changes to Medicare for seniors
- Information about possible trainings
- Information about advocacy issues
- Clear explanations
- Other (please describe) _____

5. If no, why not? (check all the apply)

- Not relevant to my work/ life
- Difficult to understand
- Difficult to access
- Unhelpful information
- Doesn't cover topics I am interested in
- Other (please describe) _____

6. What would you like to see in upcoming issues of the Senior Health News? (check all that apply)

- Prescription Drugs for seniors
- Long term care options
- Mental health coverage
- Appeal rights under Medical Assistance/ Medicare
- Other (please describe) _____

7. Other comments/ suggestions:

Thank you! Your feedback is very important to us!

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here

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Important Dates coming up for Medicare Part D

- July 1, 2005:** Consumers can start applying for the low-income subsidies at either the local Social Security Office or at local County Assistance Offices and online at www.socialsecurity.gov/medicare.
- Early Fall 2005** Medicare will notify **full dual eligibles** that they will be automatically enrolled into a Prescription Drug Plan (PDP) if they fail to enroll in a plan on their own before December 31, 2005. **Full dual eligibles** get their prescription drug coverage through MA.
- Fall 2005** Department of Public Welfare will send notices to **full dual eligibles** to tell them they will be losing their prescription drug coverage through MA on December 31, 2005.



Upcoming Medicare Part D Trainings in the SW

PHLP's Pittsburgh Office is conducting free trainings on Medicare Part D across Southwestern Pennsylvania. These trainings include an overview of the Part D program, information about who is eligible for a subsidy, how to apply for the subsidy and how it will work, and how to choose a Part D Plan.

- July 6th 5pm, Valley Care Adult Day Program, Ambridge PA
- July 7th 8am and 2 pm, Shenango Presbyterian Senior Care, Beaver County
(afternoon meeting is open)
- July 13th 1 pm Center in the Woods Senior Center, Washington County
- July 18th 9:30 am Indiana County senior/human services agencies, Aging Services Community Center (open)
- July 18th 10am- Beaver County Assistance Office, Beaver County-10 am (open)

Some of these trainings are open to the public, as noted. If you are interested in scheduling a training for your staff and/or the consumers you work with, or attending a training in the SW part of Pennsylvania, please call PHLP at **(412) 434-5779** or **1-800-274-3258**. For trainings in other parts of the state, please call the PHLP Helpline.

Do you or someone you work with have Medicare and Medical Assistance? Are they having problems accessing services? Let us know! We are trying to find out what kinds of problems people with both Medicare and Medical Assistance face when trying to accessing medical services. Please e-mail us with the problems you see most at jnix@phlp.org.

Community Education Corner

Have a Pennsylvania Health Law Project attorney or paralegal give a free presentation to your seniors or staff on important issues relating to health. From healthcare programs for lower-income persons on Medicare to accessing home and community based care to using managed care. You decide the topic. Call (800)274-3258 for more information.

Also, if you have a topic you would like to see covered in the Senior Health News, let us know! Call us at 1-800-274-3258 or e-mail jnix@phlp.org!

PHLP's Philadelphia Office is moving!

On August 1, 2005, the Pennsylvania Health Law Project's Philadelphia office will be moving to a new location. The new office will be at the Lafayette Building, Suite 900, 437 Chestnut St, Philadelphia, PA 19106. Our helpline number and other phone numbers will remain the same.



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