

Medicare Part D for Kansas Medicaid Beneficiaries

The Medicare program provides health insurance coverage for seniors (age 65 and over) and for people with disabilities. Since its creation in 1965, Medicare benefits have focused on coverage for acute health care services. This is done by providing coverage through two separate parts:

Part A - Hospital Insurance
Part B - Medical Insurance

Comprehensive outpatient prescription drug coverage has not been offered through Medicare. The Medicare Modernization Act of 2003 (MMA) will provide Medicare beneficiaries the opportunity to obtain prescription drug coverage beginning January 1, 2006.

The MMA provides drug coverage by creating a new Part of Medicare. Part D will be added as a choice to the existing Medicare program. Most people who sign up for Part D will also have an additional premium to pay. Drug coverage under Part D will only be provided through health and prescription drug plans that contract with Medicare.

Many people who receive Kansas Medicaid also have Medicare. We call them dual eligibles. This material contains important information about changes coming for dual eligibles. Medicare Part D will impact all dual eligibles, including the following groups:

- ~ SSI Recipients
- ~ Working Healthy
- ~ Medically Needy/Spenddown
- ~ Nursing Home Residents
- ~ People on HCBS Waivers
- ~ Residents of State Hospitals

Before learning about the changes for dual eligibles, it is important that you understand the basics of Medicare, including the Part D. The following websites provide more information about Medicare, the MMA and Part D:

For more about Medicare, see :

<http://www.medicare.gov/Publications/Pubs/pdf/11082.pdf>

For more about MMA and Medicare Part D, see:

<http://www.medicare.gov/Publications/Pubs/pdf/11065.pdf>

~~ DUAL ELIGIBLES~~

A Dual Eligible is a person who gets both Medicare and Medicaid. There are two types of dual eligibles:

Full Dual Eligibles have Medicare and prescription drug coverage through Medicaid. Most people in nursing homes, on HCBS, on Working Healthy or who get SSI are full dual eligibles.

Partial Dual Eligibles have Medicare but do not have prescription drug coverage through Medicaid. People who are covered only under a Medicare Savings Program (QMB or LMB) are partial dual eligibles.

Dual Eligibles will see the following major changes in their healthcare benefit plan beginning on January 1:

- ★ Medicaid will no longer cover prescription drugs for persons entitled to Medicare. Coverage of drugs will be handled through the Medicare Part D plan.
- ★ All Medicare Part D plans will be different.
 - ★ Drug coverage will vary by plan, with different formularies
 - ★ Only certain drugs may be covered by each plan
 - ★ Drug coverage may be included in a package with a managed care plan
 - ★ Premium amounts may vary but are yet to be determined
- ★ Medicaid will not supplement the Medicare plan.
 - ★ Drugs that are not covered by the Medicare plan are the responsibility of the beneficiary. Medicaid will not cover these drugs.
- ★ Dual Eligibles must enroll in a Part D plan to keep prescription drug coverage
 - ★ Medicare plans to automatically enroll most Full Dual Eligibles in a Part D plan this fall.
 - ★ Partial Dual Eligibles will be automatically enrolled in the Spring, 2006
 - ★ This will prevent some from losing coverage but auto enrollment may result in a plan that doesn't meet the individual's needs.
- ★ Medicaid will not cover persons refusing Part D. People refusing Part D will be left without drug coverage.

~~PART D SUBSIDY(LOW INCOME SUBSIDY)~~

Special benefits are available to help with costs of Medicare Part D prescription drug coverage. They are called Low Income Subsidies or Part D Subsidies.

- ★ Part D Subsidy helps cover the premium, copayments and deductibles associated with Medicare Part D prescription drug coverage.
- ★ Part D Subsidy will vary, depending on income and resources.
- ★ All Dual Eligibles will be automatically eligible for full Part D Subsidy, including persons on QMB, LMB and Expanded LMB.
- ★ Persons can sign up for Part D Subsidy only.
- ★ Both SRS and Social Security will process applications for Part D Subsidy.
- ★ SRS is required to help people apply for Part D Subsidy beginning July 1, 2005 by using the Social Security application process.
- ★ SRS will be developing its own application process for Part D Subsidy. The application will be available January 1, 2006.