



Medicare Part D 2007

Problem-Solving Update: Low Income Subsidy in 2007

Encourage New Applications

The Low-Income Subsidy (LIS) is under-subscribed. Many eligible individuals have not yet applied. There is no deadline to apply for a LIS, and an added incentive to apply this year is that there will be no late enrollment penalty for people who qualify for the LIS in 2007, and enroll in a Plan by the end of the year.

New income and asset limits to qualify for a LIS for 2007

LIS Eligibility	2006		2007	
	Individual	Married Couple living together	Individual	Married Couple living together
Countable Income Limit*	\$1,102.50/mo.	\$1,485/mo.	\$1,276.25/mo.	\$1,711.25/mo.
Countable Asset Limit**	\$11,500	\$20,000	\$11,710	\$23,410

* These income limits are for screening purposes and include eligibility for a partial subsidy. Individuals with lower income and assets may qualify for a full subsidy. Some income is not counted, including a standard universal disregard of \$20/mo.

**These asset limits include the \$1,500 per person burial allowance. Countable assets do not include a home, a car, or other belongings.

Loss of LIS in 2007

Many people are finding out for the first time that they lost their LIS when they first go to the pharmacy in 2007. They may be charged an unexpected deductible or much higher than expected co-pays. While notices from CMS were supposed to inform affected individuals of the change back in September, individuals may not recall or understand the notice, or they may not have received one.

Requalifying or Applying for a LIS

Patients who lost their subsidy in 2007, or who have not yet applied for a LIS should be urged and assisted in taking the following steps:

1. Apply with Social Security at www.socialsecurity.gov or 1-800-772-1213.
2. Re-apply for Medi-Cal. In many cases eligibility was lost due to failure to complete the recertification process. Duals receive the full LIS.
3. If not Medi-Cal eligible, apply for Medicare Saving Program. MSP beneficiaries receive the full LIS.
4. Patients with Share-of-Cost (SOC) Medi-Cal, should consider meeting the SOC once, early in the year, in order to achieve the full LIS for the remainder of the year. Meeting the SOC means incurring Medi-Cal covered expenses. Bills do not need to be paid during the same month. Costs for dental, vision, or hearing appointments, procedures or devices can be a good way to reach the SOC.

Tip: A LIS is retroactive to the date of the application, so applying early is advantageous. It may take Social Security 4-6 weeks to determine LIS eligibility once an application has been submitted. Qualifying for the LIS by meeting the SOC (described above) can take longer, so it may be worthwhile to submit an application even if attempting to qualify by meeting the SOC.

A Grace Period while Requalifying for the LIS

Plans may offer a grace period of up to three months for members to continue receiving the benefits of a subsidy while they are trying to re-qualify for the LIS. This grace period is applied at the plan's discretion. Some Plans automatically apply a grace period, and for others the member may request it. Either way, *a Plan may recoup money from members who are not awarded the LIS by the end of the grace period.* Thus the grace period is only helpful when re-qualification is pending.

Resolving Discrepancies about LIS status

When a patient's subsidy is not recognized at the pharmacy, a new "best available data" policy allows beneficiaries to show documentation of LIS status at the pharmacy in order to receive immediate subsidized coverage. Patients with a LIS in 2007 should take evidence of their eligibility (such as a Medi-Cal card or letter from Medi-Cal or Social Security stating LIS status) with them to the pharmacy, and show it to the pharmacist if needed.

Evidence of LIS status should also be sent directly to the Plan. This allows the Plan to verify LIS eligibility. If Plans do not verify eligibility, they may collect reimbursement from members who received subsidized coverage with the "best available data" policy.

California Emergency Drug Benefit (EDB): What now for Duals?

On January 31, 2007, the back-up system for Duals (with Medicare and Medi-Cal) who experience difficulty filling prescriptions under Medicare Part D expires. Without the EDB, there are no immediate fixes for Duals who experience coverage barriers at the pharmacy counter. They may be forced to either pay out of pocket, or walk away without filling a prescription.

With the loss of the EDB, it is more important than ever to develop strong working relationships with local pharmacists. The pharmacy counter is where critical resources can be accessed to improve coverage: transitional assistance, LIS status using best available data policy, and point of sale enrollment in Anthem/Wellpoint for Duals who are erroneously without any Part D plan.

(See link on Medpin web site to California Department of Health Services' January 5, 2007 Medi-Cal Bulletin on pharmacy contacts for Benchmark plans.)