

CHANGE NOTICE FOR MANUAL NO. 21-06, MEDICARE PRESCRIPTION DRUG BENEFIT

DATE: AUGUST 25, 2006

Manual: Aged, Blind, and Disabled Medicaid

Change No: 21-06

To: County Directors of Social Services

Effective: September 1, 2006

I. CONTENT OF CHANGE

A. [MA-2310](#), Taking the LIS Application, has been revised to:

1. Include more general information regarding coverage limits and co-pay amounts, as these amounts may be updated yearly.
2. Add [figure 2](#), Medicare Part D Basic Coverage and Co-payment Information. This figure includes deductible amounts, coverage limits, and co-payment amounts for the years 2006 and 2007.

B. [MA-2311](#), LIS Processing and Case Maintenance, has been revised to include the policy for redeterminations and changes in situations for LIS applications that were originally processed by the county. In addition, beginning January 1, 2007, the eligibility period for LIS applications taken and processed by the county has been changed to 12 calendar months from the month of application. Applications taken prior to January 1, 2007, continue to have an eligibility period through December 31, 2006.

In August 2006, CMS began determining which Medicare beneficiaries are entitled to LIS for the calendar year 2007

1. Medicare beneficiaries who are determined Medicaid eligible (including MSP eligibility) on or after July 1, 2006, will be eligible for the LIS for calendar year 2007.

Medicare beneficiaries who lose Medicaid eligibility anytime after July 1, 2006, will remain eligible for the LIS for calendar year 2007.

2. Medicaid recipients with Medicare who lost Medicaid eligibility (including MSP eligibility) prior to July 1, 2006, and do not regain Medicaid eligibility on or after July 1, 2006, will lose LIS eligibility as of December 31, 2006.

These individuals will be notified by CMS of their loss of eligibility and that they may reapply for the LIS through the Social Security Administration or the local county department.

C. [MA-2312](#), Medicare Prescription Drug Benefit, has been updated to include the changes below.

1. Medicaid individuals who affirmatively decline enrollment in a Medicare Prescription Drug plan and do not have other insurance can not use prescription expenses to meet a deductible or to reduce a PML.
2. Apply expenses for prescription drugs to the deductible or to reduce the PML when documentation from the insurer verifies the expense:
 - a. Is a deductible, co-payment, or due to the donut hole, or
 - b. Is for a non-covered drug and the recipient requested an exception and the exception was denied.
3. Clarify that Medicare indicators must be keyed no earlier than the month preceding Medicare entitlement start date.
4. Advise the counties that the [DMA-5002](#) and [DMA-5003](#) have been changed to include the following sentence:

“If you receive Medicare, Medicare is responsible for your prescriptions.”

II. EFFECTIVE DATE

This policy is effective September 1, 2006. Apply this policy to all applications and all cases with a deductible or PML processed on or after September 1. Apply this policy to all redeterminations and change in situations started on or after September 1, if the county has a case in which it determined LIS eligibility.

III. MAINTENANCE OF MANUAL

- A. Remove:** MA-2310, Taking the LIS Application, pages 1 and 2.
- B. Insert:** MA-2310, Taking the LIS Application, pages 1 and 2, and figure 2.
- C. Remove:** MA-2311, LIS Processing and Case Maintenance, pages 1 through 9.
- D. Insert:** MA-2311, LIS Processing and case Maintenance, pages 1 through 10.
- E. Remove:** MA-2312, Medicare Prescription Drug Benefit, pages 5 through 14.
- F. Insert:** MA-2312, Medicare Prescription Drug Benefit, pages 5 through 14.

If you have any questions regarding this information, please contact your Medicaid Program Representative.

L. Allen Dobson, Jr., M.D., Assistant Secretary
for Health Policy and Medical Assistance

(This material was researched and written by Christine Coffey, Policy Consultant, Medicaid Eligibility Unit.)