

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 15, 2005

Dear Licensee:

Beginning January 1, 2006, Medicare will offer insurance coverage to help people pay for prescription medicines. Everyone on Medicare is eligible for the new Medicare Prescription Drug Plan (Medicare Part D), including those individuals who have Medi-Cal in addition to Medicare. **I am asking for your assistance to help your residents understand this new benefit and to help them identify which drug plan option best meets their needs.** I have enclosed copies of: 1) a letter from S. Kimberly Belshé, Secretary of the California Health and Human Services Agency (CHHS); 2) a sample newspaper/newsletter article about prescription drug changes; and 3) a Medicare handout about recent changes and steps that should be taken. The sample newspaper/newsletter article and Medicare handout were developed by the California Department of Aging to help explain the changes in the Medicare Prescription Drug Plan in order to educate seniors who are on Medicare or who are dually eligible for both Medicare and Medi-Cal. The information is broken down by the type of drug coverage the recipient currently has and provides a list of resources including telephone numbers and websites on the Internet.

If individuals do not choose to sign up for the prescription drug benefit now, it may cost them more if they decide to join later. Drug plans may vary in the prescription drugs that are covered, how much they charge for their monthly premium, the share of cost for prescriptions, and the pharmacies that can be used. Any assistance you can provide to help residents enroll in the drug plan that best meets their needs will help avoid problems with them getting the medications they need.

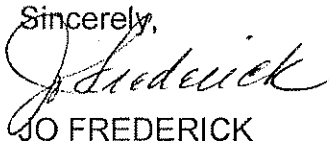
The immediate need is for you to provide helpful information to the residents in your facility who are dually eligible for both Medicare and Medi-Cal and to also assist the other residents who are Medicare beneficiaries in knowing where to turn for information. We know that without assistance many individuals may not understand or act on this information in a timely manner. We are asking for your assistance in expanding outreach efforts on these benefit changes because you have direct contact with residents who are eligible for Medicare benefits.

Medicare Part D
Page 2

You can help your residents by: 1) compiling a list of their current medications to help them make a decision on the plan that will best fit their prescription drug needs; 2) distributing the enclosed letter from the CHHS Secretary; 3) distributing the enclosed Medicare handout; 4) using the enclosed article in your newsletter; and 5) visiting the Internet to obtain good web resources such as www.medicare.gov, www.chhs.ca.gov, and www.calmedicare.org.

We would appreciate your help in educating your residents about this new prescription drug coverage and providing them with the necessary resources to enable them to make an informed decision.

Sincerely,



JO FREDERICK
Deputy Director
Community Care Licensing Division

Enclosures: CHHS letter from Secretary S. Kimberly Belshé
CHHS Medicare Handout
CHHS Sample Newsletter Article

State of California HEALTH AND HUMAN SERVICES AGENCY



October 25, 2005

Dear Colleague:

S. KIMBERLY BELSHÉ
SECRETARY

On January 1, 2006, the new Medicare prescription drug benefit will begin. Because your organization directly serves many Medicare beneficiaries, I am asking for your assistance to educate California's 4.1 million Medicare beneficiaries about this new benefit. For the first time since the enactment of the Medicare program, beneficiaries will have access to prescription drug coverage. The challenge is helping them understand this new benefit and identify which option best meets their needs.

Agency
Departments &
Boards:

Aging

This is particularly true for persons who are dually eligible for both Medicare and Medi-Cal. Their Medi-Cal prescription drug benefit will end on December 31, 2005. These individuals will be automatically enrolled, through a random assignment process, in one of the approved Medicare prescription drug plans. They will be notified by mail of this assignment by November 10, 2005.

Alcohol and
Drug Programs

Child Support
Services

Community Services
and Development

It is critical that these dually eligible beneficiaries identify whether the plan they have been automatically enrolled in meets their prescription drug needs. If not, they can change to another Medicare approved plan, but this should be done by January 1, 2006, to ensure continuity in their medication coverage.

Developmental
Services

Emergency Medical
Services Authority

What other Medicare beneficiaries must do depends upon what type of prescription drug coverage they currently have, if any. Medicare beneficiaries who are not on Medi-Cal have until May 15, 2006, to make decisions about enrollment.

Health Services

Managed Risk
Medical Insurance

The immediate need is to provide helpful information to the more than one million Californians dually eligible for both Medicare and Medi-Cal and to assist the other three million Medicare beneficiaries in knowing where to turn for information.

Mental Health

Rehabilitation

The Department of Health Services and the other departments under the California Health and Human Services Agency (CHHS) have been working closely with the federal Centers for Medicare & Medicaid Services to inform Californians who are dually eligible for Medicare and Medi-Cal about this benefit change. However, we know that many individuals may not understand or act on this information in a timely manner.

Social Services

Statewide Health
Planning and
Development

How can you help?

- **Distribute the Enclosed Handout.** We ask your assistance in disseminating this information. The actions beneficiaries should take and the timeframe for taking needed action depends upon what coverage they currently have. This simple handout will help individuals understand what they must do and whom they should contact for additional assistance. Routing individuals to the appropriate resource will help ensure that those who truly need individual assistance can quickly access those services.

- **Visit the CHHS Web Site for Useful Medicare Web Tools.** During the coming weeks, the CHHS Web site will incorporate the most useful tools that state staff have identified to help consumers compare Medicare prescription drug plans, find local educational presentations in their community and locate helpful fact sheets that can easily be downloaded for distribution. Please visit www.chhs.ca.gov, look for the Medicare link and add it to your organization's external Web site links.
- **Use the Enclosed Article in Your Newsletter.** Information from the enclosed handout has been reformatted into an article that can be incorporated into your newsletter or other publications. The article can be electronically downloaded at www.chhs.ca.gov.

Working together, we can help individuals select the prescription drug benefit plan that best meets their needs. Thank you for your partnership in this important effort.

Sincerely,



S. Kimberly Belshé
Secretary

Enclosures: CHHS Medicare Handout
CHHS Sample Newsletter Article

SAMPLE NEWSPAPER/NEWSLETTER ARTICLE

New Year Rings in Prescription Drug Changes: What You Can Do Now

Beginning January 1, 2006, Californians on Medicare who currently receive prescription drugs from Medi-Cal will receive them from the federal government through the new Medicare Part D program.

Marketing of these Medicare-approved prescription drug plans began on October 1, 2005. The federal Centers for Medicare & Medicaid Services (CMS) has already begun television, radio and newspaper advertisement campaigns to increase public awareness about this new benefit.

While the new Medicare benefit is receiving a great deal of media coverage, an October 2005 USA Today/CNN/Gallup poll found that fewer than half of California's seniors feel they understand this new benefit.

"It is critical that consumers learn more about the available drug plans to ensure all of their prescription drug needs are met," said California Health and Human Services Agency Secretary Kimberly Belshé.

Before selecting a plan, beneficiaries should first make a list of the medications they are currently taking. Second, they should carefully read the *2006 Medicare & You Handbook* on the new Medicare prescription drug benefit when it arrives in the mail.

"Medicare beneficiaries shouldn't feel like they have to wade through this information alone. Several resources can help guide you through this new benefit," Secretary Belshé noted. "Doctors, pharmacists and other community partners are also available to help consumers find the plan that will best suit their individual needs."

Persons on Medicare Who Currently Have Prescription Drug Coverage

If Medicare beneficiaries currently have drug coverage through an employee/retiree insurance plan or a Medicare Advantage Plan (HMO), they will receive important information in the mail from their insurance provider about potential changes in their coverage and options. They should read that information carefully for any changes in their existing insurance or plan coverage and decide if that coverage best meets their medication needs. If individuals have questions, they should call the customer service telephone number of their insurance company or Medicare plan.

Persons on Medicare Who Currently Receive Medications through Medi-Cal

Californians who are covered by both Medicare and Medi-Cal (often referred to as "dual eligibles") should carefully read the letters that CMS and the California Department of Health Services will send to them. Their Medi-Cal prescription drug benefit will end on December 31, 2005. They will automatically be enrolled in a new Medicare drug plan

that will begin on January 1, 2006. That randomly selected plan may not be the best choice for them. Dual eligibles can change plans at any time in order to meet their prescription drug needs by calling 1-800-MEDICARE.

Persons on Medicare Who Currently Have No Prescription Drug Coverage

For persons on Medicare with no prescription drug coverage, the new Medicare benefit may provide significant help. While the new plan begins on January 1, 2006, enrollment is open until May 15, 2006, for persons who have not been automatically enrolled or who do not have equivalent coverage through an employer plan or Medicare HMO. If persons on Medicare have not enrolled by May 16, 2006, they will be charged a higher monthly premium for their drug coverage when they do enroll.

Help in Comparing Drug Plans

There are a number of different approved Medicare plans available. While that may seem to make a decision more difficult, there are good resources available to help identify a Medicare prescription plan that best meets an individual's needs.

Individuals can call 1-800-Medicare, give some basic information about where they live and the medications they take and trained staff will look up which approved plans cover those medications, estimate monthly premiums and send that information to the individual in the mail. If you have access to the Internet, you can compare plans yourself at www.medicare.gov. Other good Web resources include www.chhs.ca.gov and www.calmedicare.org.

The local Health Insurance Counseling and Advocacy Program (HICAP) provides educational presentations on the new Medicare prescription drug program. They also offer one-on-one insurance counseling through individual appointments. HICAP uses trained volunteers to provide free, impartial information and assistance. To obtain a list of upcoming presentations in your area or to schedule a counseling session, please call 1-800-434-0222.



Medicare is Changing! What You Can Do To Take the Next Step

Beginning January 1, 2006, Medicare will offer insurance coverage to help people pay for prescriptions. Persons with Medicare can sign up for this new drug benefit after November 15, 2005. Everyone on Medicare is eligible, no matter your age, income, health conditions, disabilities or medicines you take. You can sign up for the coverage plan that best fits your needs.* If you have limited income, you may be able to get extra help paying for coverage. The steps you should take depend upon the coverage you currently have. It is important to understand your options.

The following can help you obtain the information you need to make decisions about your prescription drug coverage.

- Do you have **Medicare**?
 - Everyone on Medicare can get drug coverage. If you do not act by May 15, 2006, coverage may cost more in the future.
 - **What you can do:** Read your *Medicare & You 2006* guide when it arrives in October 2005. Read the section on new drug coverage. Check out the other resources listed below.

- Do you have a **Medicare Advantage Plan (HMO)**?
 - Your plan will send you information in October 2005 about your prescription drug plan choices.
 - **What you can do:** Read this information.* Call your plan's customer service number if you have questions. Check on the back of your membership card for the phone number of your plan. You can also look at what other Medicare HMOs in your area are offering and remember that traditional Medicare is also an option.

- Do you have a Medicare supplement plan—**Medigap coverage**?
 - If your plan does not cover drugs, you can keep it and sign up for a separate prescription drug plan. If your plan does cover prescriptions, you will receive a notice in October 2005 about your prescription drug choices.
 - **What you can do:** Call your Medigap plan phone number if you have questions. Check on the back of your membership card for the phone number of your plan.

- Do you have drug coverage through an **employer or retiree benefit**?
 - Your employer or union will tell you if your present plan will change because of Medicare's new drug coverage. You'll be told if your coverage is at least as good as Medicare's, if your current plan will offer a Medicare prescription plan or if you need to buy one on your own.
 - **What you can do:** Call your retiree or employer plan contact if you do not receive this information by the end of October or if you have questions. Check with your plan if you are considering enrolling in a Medicare prescription drug plan.

- Do you have **Medi-Cal** in addition to Medicare?
 - Your Medi-Cal prescription drug coverage ends on December 31, 2005. You will be automatically enrolled in a Medicare prescription drug plan beginning on January 1, 2006. In early November, you will be notified of which plan you have been automatically enrolled into. You have the option of choosing another plan at any time. You must join a Medicare prescription drug plan to continue to have your medications covered. However, not all plans contract with all pharmacies.
 - **What you can do:** Read all information sent to you by the Department of Health Services and the federal government. Read what drugs are included in the plan in which you have

(Over)

been enrolled. If the plan does not cover all of the drugs you need or the pharmacies they contract with, use the resources below to choose another plan anytime after November 15, 2005.

- Are you enrolled in a **Medicare Savings Program** as a Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) or Qualified Individual (QI)?
 - You will need to join a Medicare prescription drug plan if you want drug coverage. You have until May 15, 2006, to decide on a plan.
 - **What you can do:** Read all information sent to you by the federal government. Contact the resources below for further information.

- Are you **low income**, not on Medi-Cal and need help paying for the cost of your drug coverage?
 - Additional federal assistance may be available to you.
 - **What you can do:** Read all information sent to you by the federal government. If you are low income, but not on Medi-Cal, contact Social Security to determine if you qualify for extra help (see resources listed below).

- Do you have **Veterans Administration (VA) or TRICARE** coverage?
 - The VA or TRICARE will send you information on any changes in your prescription coverage. Read this information carefully. If this plan meets your drug needs, you do not need to do anything.
 - **What you can do:** Call the VA or TRICARE if you do not receive this information by the end of October or if you have questions.

Other Free Resources

Medicare & You 2006 booklet sent to each Medicare consumer in October 2005.

Call 1-800-Medicare or 1-800-633-4227. (TTY users call 1-877-486-2048).

Call the Social Security Administration at 1-800-772-1213 to determine if you might be eligible for extra help.

Go to www.Medicare.gov or www.calmedicare.org/changes/partd.html and use the [Compare Medicare Prescription Drug Plans](#) and [Medicare Prescription Drug Program Overview](#).

If you have both Medi-Cal and Medicare, the Health Consumer Alliance has helpful fact sheets on its Web site: www.healthconsumer.org

Speak with family, friends or others you trust for help.

Discuss these issues with your physician or local pharmacist.

Call your local county human services department to apply for Medi-Cal or the Medicare Savings Program or to discuss your current Medi-Cal or Medicare Savings Program needs.

Call the Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0222 to find out about free counseling and local educational presentations.

If you still need help, Medicare experts are available for free counseling sessions at HICAP by calling 1-800-434-0222.

*If you have good employer health coverage or are in a Medicare HMO, you may not need to make any changes.