



California
Department of
Health Services

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

March 1, 2004

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 04-03
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY QMB/SLMB/QI COORDINATORS

SUBJECT: THE MEDICARE-APPROVED PRESCRIPTION DRUG DISCOUNT
CARD PROGRAM

The purpose of this letter is to provide the County Welfare Directors with information about the Medicare Prescription Drug, Improvement and Modernization Act of 2003, which includes the Medicare Prescription Drug Discount Card program, the Transitional Assistance (TA) program, and Medicare Prescription Drug program. This letter also notifies county staff that Medi-Cal beneficiaries are not eligible to receive benefits through the discount and TA programs.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into federal law. This Act will provide Medicare beneficiaries with:

- access to discounts on their prescription drugs through enrollment in a discount card program;
- a \$600 subsidy through the TA program to certain low-income individuals to purchase prescription drugs; and
- comprehensive Medicare prescription drug coverage.

The discount card and the TA program will be available in the Spring of 2004. The application process will be a responsibility of the federal government and drug card sponsors. These programs are available to Medicare beneficiaries, but **not** to those who are also certified eligible for and receiving full-scope Medi-Cal. Those individuals will continue to receive their prescription drug coverage through Medi-Cal. Medicare will deny applications for TA and discount cards made by full-scope Medi-Cal

individuals who have no share-of-cost (SOC) or who have met their SOC prior to the date of a monthly tape match that the Department of Health Services (DHS) will provide to the Centers for Medicare and Medicaid Services (CMS). Individuals requesting information on these programs may call 1-800-MEDICARE (1-800-633-4227) or may access information on the Internet at www.cms.hhs.gov/discountdrugs/.

The Medicare Prescription Drug program coverage will be available January 1, 2006, and will provide comprehensive drug coverage to all Medicare beneficiaries, including those who are also eligible for Medi-Cal. This drug coverage is referred to as Medicare Part D. Medicaid (Medi-Cal in California) beneficiaries who have Medicare are now referred to as dual eligibles. When the Medicare Prescription Drug program becomes available, dual eligibles will be automatically enrolled and will receive their prescription drug coverage through Medicare. CMS has requested that each State provide a monthly tape that identifies dual eligibles.

There will be Part D cost sharing in the form of premiums, deductibles, and co-payments. Low-income participants may qualify for no, or reduced, cost sharing (known as Part D subsidies). States will have a responsibility in determining whether a low-income individual is eligible for a Part D subsidy. This means in California the counties will be responsible for screening and processing eligibility determinations for these subsidies. The State will be responsible for providing the counties with instructions and for sending a file to CMS that identifies this subsidy eligible. As details become available, DHS will continue to provide information on the Medicare Prescription Drug Program through All County Welfare Directors Letters.

If you have any questions regarding this letter or the Medicare Prescription Drug coverage programs, please call Ms. Vicki Partington at (916) 453-1792 or E-Mail Vparting@dhs.ca.gov.

Original signed by

Beth Fife, Chief
Medi-Cal Eligibility Branch