

Congress of the United States

Washington, DC 20515

June 8, 2004

The Honorable Tommy Thompson
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Mr. Secretary

As the Administration continues to implement the new prescription drug card, we urge CMS to use its administrative authority based on language from the "Medicare Prescription Drug and Modernization Act" to make an immediate, major and dramatic improvement in the level of help for low-income Medicare beneficiaries.

Specifically, just as you have for seniors and people with disabilities in the State Pharmaceutical Assistance Programs (SPAPs) and "Medicare Advantage" plans, we urge you to use the authority in the new law to automatically enroll all eligible Medicare Savings Program (MSP) beneficiaries (QMB, SLMB, and QI-1 individuals) in the transitional assistance (TA) program, thus making these individuals automatically eligible for the \$600 per year in low-income discount card assistance without requiring a separate, time-consuming and inefficient enrollment process.

As this week's articles in the *New York Times* and *Los Angeles Times* indicate, the major success of the discount cards has been the automatic enrollment of low-income Medicare beneficiaries enrolled in SPAPs to get the \$600 subsidy as part of transitional assistance. However, that is only happening in a select set of states that have such programs. While we applaud the efforts announced in the May 28 press release¹ to provide additional funding to organizations to educate seniors about these benefits, it is no substitute for automatic enrollment.

Unfortunately, the vast majority of low-income beneficiaries remain either completely uninformed about the discount card and the \$600 low-income subsidy or are completely bewildered by the process or card. The June 1 article² in the *Los Angeles Times* is a sad reminder of why automatic enrollment is necessary.

The confusion surrounding this program is not surprising, considering the fact that CMS and Speaker Hastert, who were both intimately involved in the development of the legislation, have made incorrect assertions as to the availability of the \$600 subsidy to 310,000 low-income

¹ "HHS Announces Collaborative Initiative to Help Low Income Seniors Sign Up for Discount Card," May 28, 2004. www.cms.gov

² Kemper, Vicki, "Drug Discount Card Baffles Some Seniors," *LA Times*, June 1, 2004.

Aid (IDPA) estimates only 9,237 individuals, not 310,000, would be eligible for the \$600 subsidy. Clearly, if CMS and Speaker Hastert are confused about who is eligible for low-income assistance, it is not surprising that there are a lot of uninformed or confused Medicare beneficiaries across the country.

Unfortunately, the December 10, 2003, rules for implementation of the drug card describe a system where low-income Medicare beneficiaries will have to know about and apply for assistance with one of the new endorsed discount card companies to get the \$600 subsidy. This is a population of seniors and people with disabilities that is often very sick, that often has cognitive and mental illnesses, and that often does not have access to or comfort with the Internet. In short, it is a very difficult population to reach out to and enroll in a new program.

By automatically enrolling this group of low-income beneficiaries, the MSP population of about 700,000 individuals could be eligible for the \$600 subsidy. The millions of dollars that could be saved in spending for outreach, education, and paperwork expenses can be used to target and outreach to: (1) those eligible beneficiaries not currently in the MSP programs; and, (2) the 2.5 million low-income beneficiaries who live on incomes below 135 percent of poverty, but who do not qualify for MSP due to the assets test for MSP but not for TA.

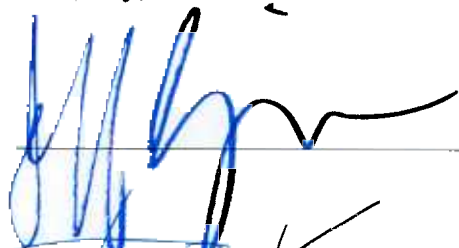

Also, if low-income beneficiaries eligible for the \$600 are enrolled and are also eligible for other low-income benefits such as MSP, they can be enrolled in those other programs.




You have estimated that 65 percent of the eligible beneficiaries will sign up for the low-income assistance. Your goal should be to leave none of our nation's low-income seniors and people with disabilities behind. Anything less should be considered unacceptable.

Finally, if you do not share our belief that you have the authority to automatically enroll low-income seniors and individuals with disabilities in the \$600 subsidy, we have introduced two bills, S. 2413 and H.R. 4437, that would give you the authority to do so. We would welcome the opportunity to work with you to pass this legislation on an expedited basis if necessary.

Thank you for your consideration of this important request.

Sincerely,


Tom Daschle

Ken A. Wyman


Sam Algee

David Green

Blanche L. Lincoln

Maryland

Ch. John

Lois Capps

Tom Allen

Frank Broun

E. Lior L. Engel

Tom Cange

Robert J. Matsen

Anna Esch

Mark Boyer

Bobby & Ruth

Pat Stank

Hillary Rodham Clinton

Jimmy Dermott

Charles Rangel

Debbie Stabenow

Pete Deutsch

Gene Miller

Albert R. Upton

Frank Pallone Jr.