



## Report Summary

Social Security Administration  
Office of the Inspector General

### ***Management Advisory Report: Third Parties Applying for Medicare Part D Low-Income Subsidies on Behalf of Others (Limited Distribution)*** **(A-08-07-27177)**

Our objectives were to determine whether Elderly Pharmaceutical Insurance Coverage (EPIC) had proper authority to apply for Medicare Part D Low-Income Subsidies (LIS) for its participants and whether EPIC and Benefits Data Trust (BDT) provided accurate data on these applications.

In March 2007, the Social Security Administration (SSA) requested we review the appropriateness of EPIC and BDT's actions regarding Medicare Part D LIS applications. We reviewed Federal and New York State law to determine whether third parties are permitted to apply for Medicare Part D LIS on another's behalf. We also reviewed EPIC and BDT LIS applications to determine whether these two entities provided accurate information to SSA.

EPIC is New York State's sponsored prescription plan for senior citizens who need help with their prescription costs. EPIC encourages its program participants to join a Medicare prescription drug plan. In fact, EPIC requires that its participants provide information that will assist SSA in determining eligibility for Medicare Part D LIS. EPIC submits LIS applications for its participants electronically to SSA. If SSA determines the applicant qualifies for Medicare Part D LIS, EPIC enrolls the individual in a basic Medicare Part D drug plan. EPIC informs its new participants, via its pamphlet, that they may opt out of the drug coverage.

BDT collaborates with other entities, such as AARP, the Centers for Medicare and Medicaid Services, the National Council on Aging or Kaiser Permanente, to reach out to elderly individuals who may be eligible to receive Federal assistance through Medicare Part D LIS, as well as other State and Federal benefit programs. In fact, BDT partnered with the National Council on Aging on a Federal grant entitled, Cost Effective and Scalable Strategies for Enrolling Medicare Beneficiaries in Medicare Prescription Drug Extra Help.

Based on our review, we made one recommendation to SSA and the Agency took immediate action to implement our recommendation.

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