



ILLINOIS MEDICARE CONSUMER PROFILE

MEDICARE PART D: WHAT IT MEANS FOR ILLINOIS

In response to the growing need for prescription drug coverage for Medicare consumers, in 2003 Congress passed and President Bush signed into law the *Medicare Prescription Drug, Modernization & Improvement Act (MMA)*. The MMA creates a new Medicare Part D prescription drug benefit for more than 40 million seniors and individuals with disabilities. The law also significantly restructures Medicare, making changes in delivery of services, provider rates and services covered.

Actual enrollment in the Part D prescription drug benefit does not begin until January 2006. But education and outreach efforts have already begun. Why? Because the new law presents enormous challenges to states, federal agencies, consumer advocates, and providers in these areas —

- Education and enrollment of Medicare consumers in Part D,
- Helping consumers choose appropriate prescription drug plans,
- Enrolling those consumers to qualify for Medical Assistance programs that help pay for Medicare Part D coverage, and
- Developing and maintaining supplemental state prescription programs that provide “wrap-around” coverage for Medicare Part D.

Health & Disability Advocates, in collaboration with the Progress Center for Independent Living and Suburban Area Agency on Aging, has convened the ***Make Medicare Work Coalition (MMW Coalition)***. The coalition, made up of advocates, service providers, consumer groups and state policymakers, is working to unite education and outreach efforts with the development of effective and responsive public policy.

The ***MMW Coalition*** developed this *Illinois Medicare Consumer Profile* to help consumers better understand their options and select prescription drug plans that best meet their needs. In addition, we hope it is a useful tool for Illinois policymakers as they work to create and adjust state programs to effectively meet Medicare consumers' needs.

Make Medicare Work Coalition (MMW Coalition)

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Made possible by: The Retirement Research Foundation, Michael Reese Health Trust and

The Chicago Community Trust.

WHY THE MEDICARE CONSUMER PROFILE IS IMPORTANT

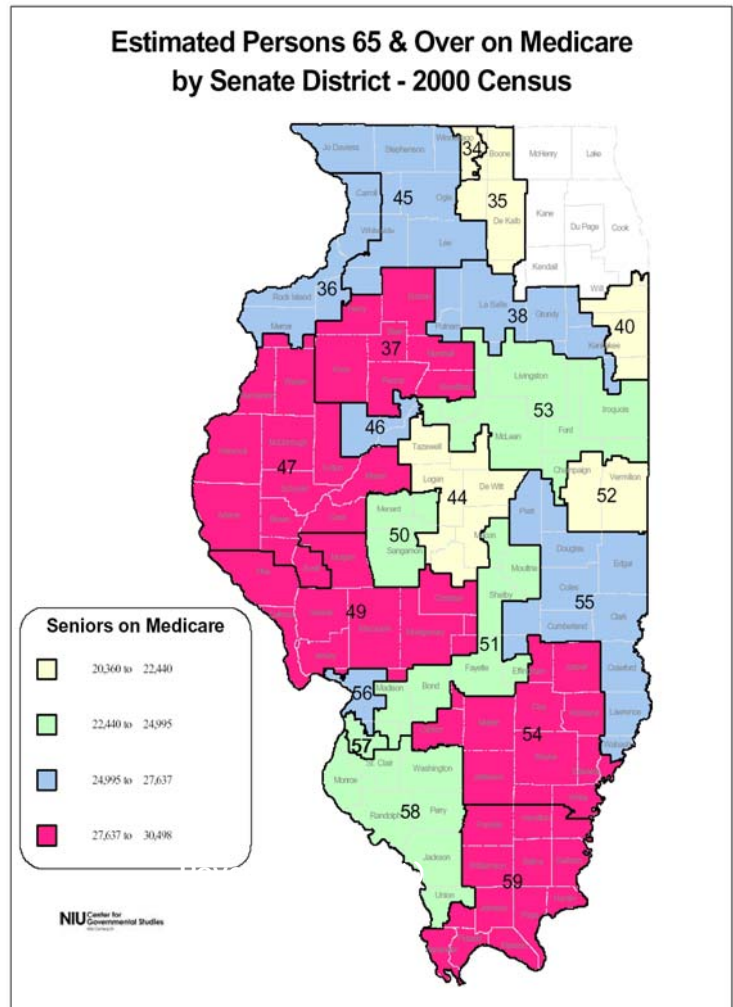
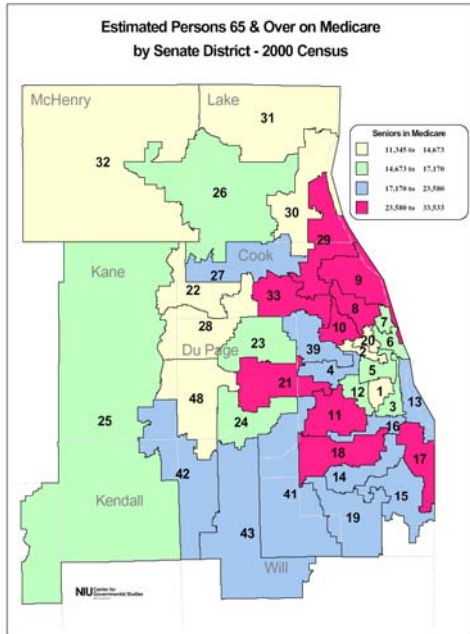
There are over 1.5 million Medicare consumers in Illinois, including adults who are older (age 65+) and who have disabilities. Illinois also operates one of the five largest prescription assistance programs in the U.S., the *State Pharmaceutical Assistance Programs and Pharmacy Plus Waiver*. As a result, we have a substantial number of consumers who will need to switch from their current prescription drug coverage to Medicare Part D in January 2006 *and* make appropriate choices from the proposed Prescription Drug Programs that private drug plan sponsors will offer beginning the fall of 2005.

The purpose of the ***Medicare Consumer Profile*** is to identify Illinois consumers affected by the implementation of Medicare Part D. Those individuals now receiving prescription drug coverage through one of Illinois' state prescription drug programs will need "wraparound" coverage to cover some of the medications that Part D will not cover and to help pay for the costs of Medicare Part D. Some Medicare consumers will need to apply for a subsidy to help pay the costs of the Medicare prescription drug plan, and some of the most vulnerable low-income consumers will be automatically enrolled in a prescription drug plan if they do not choose a plan during a specific time period.

Key to all education and outreach efforts in Illinois will be knowledge of where Medicare consumers live, especially those consumers with limited incomes. The ***Medicare Consumer Profile*** identifies the geographic distribution of Illinois Medicare consumers by district and by county. It also identifies income levels to better pinpoint exactly where large groups of the most vulnerable consumers reside.

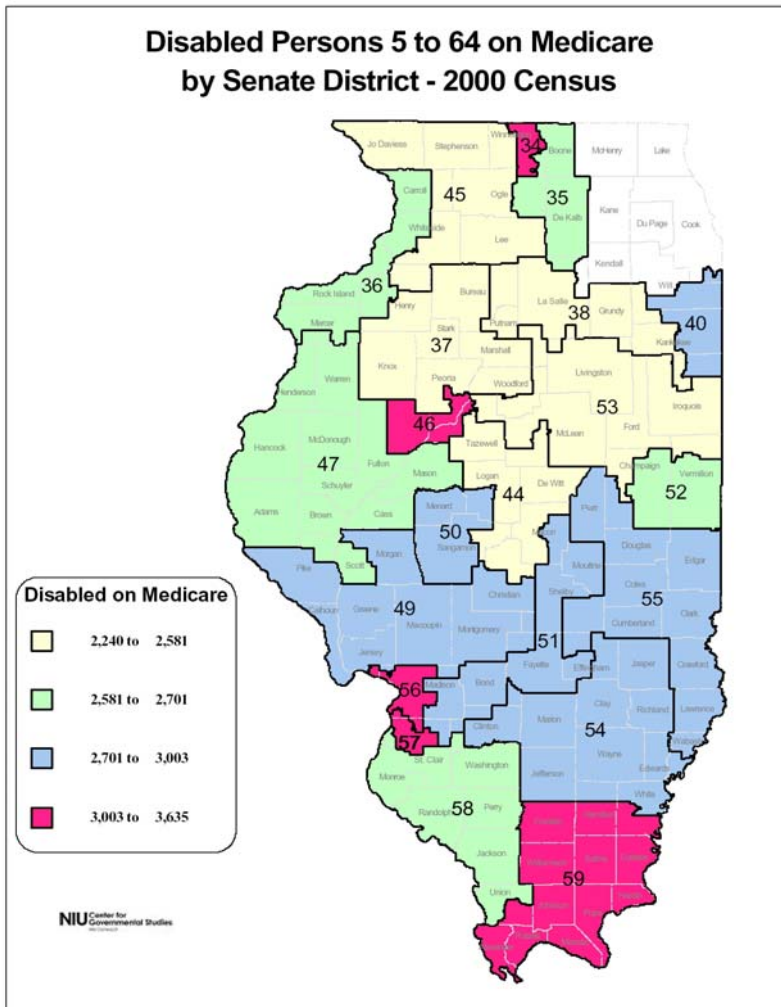
These groups include older adults who are geographically isolated or distant from relatives and support services, and adults with psychiatric disabilities who receive Medicare. Illinois also has a significant number of older adults in long-term care facilities who receive medications directly from the facilities; these individuals, who have varying abilities, will also need to enroll in Medicare Part D and choose a prescription drug plan. For individuals who are vulnerable it may be particularly difficult to fully understand the bewildering choices that face them and to make informed decisions.

Federal and State agencies are taking the first steps in this daunting but greatly needed education and outreach process by trying to streamline enrollment and eligibility and reaching out to communities to build partnerships. The ***MMW Coalition*** is committed to working collaboratively with them to ensure smart policy decisions and provide effective outreach, education and enrollment to Medicare consumers in Illinois.

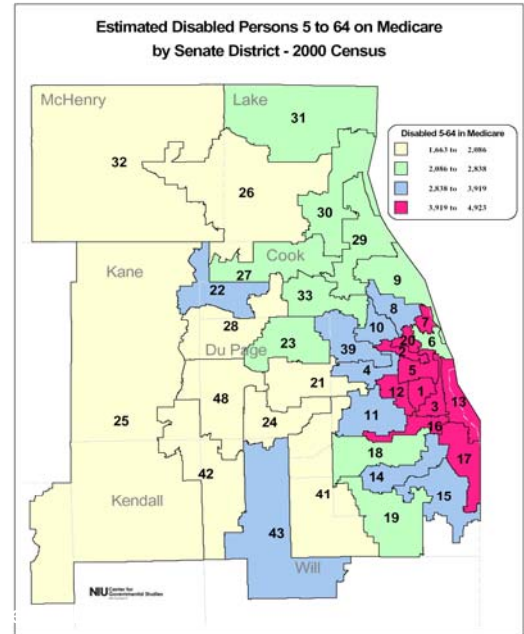


IL ELDERLY MEDICARE CONSUMERS	Poverty Level (%)						
	MEDICARE CONSUMERS	Total	0-99	100-134	135-149	150-199	200-249
Total IL Elderly Medicare Consumers	1,330,090	127,000	102,629	53,521	155,717	150,822	740,401
Medicare Only	1,230,090		102,629	53,521	155,717	150,822	740,401
Dual Eligibles	127,000	127,000					
Nursing Facility	75,930	58,800	1,461	762	2,217	2,148	10,542
QMB	98,560	98,560					
SLMB	21,120		21,120				
QI-1	8,800		8,800				
Senior Care	179,579		79,015	26,937	73,627		
Pharmacy Assist	36,831					36,831	

**Disabled Persons 5 to 64 on Medicare
by Senate District - 2000 Census**



**Estimated Disabled Persons 5 to 64 on Medicare
by Senate District - 2000 Census**



IL DISABLED MEDICARE CONSUMERS

Poverty Level %

MEDICARE CONSUMERS	Total	0-99	100-134	135-149	150-199	200-249	250+
Total IL Disabled Medicare Consumers	175,480	61,720	18,064	6,454	13,184	18,168	57,890
Medicare Only	148,480	34,720	18,064	6,454	13,184	18,168	57,890
Dual Eligibles	27,000	27,000					
Nursing Facility	1,341	1,200	22	8	16	22	72
QMB	13,440	13,440					
SLMB	2,880		2,880				
QI-1	1,200		1,200				
Pharmacy Assist	15,175						
ADAP	495						

ILLINOIS MEDICARE CONSUMERS - KEY FINDINGS

- There are more than **1.5 million Medicare consumers** in Illinois.
- There are over **150,000 “dual-eligibles”** – individuals receiving both Medicaid and Medicare - who will lose Medicaid drug coverage on January 1, 2006.

If education efforts are not successful or do not reach these individuals, all 150,000 could be automatically enrolled in a Prescription Drug Plan that does not fit their needs.
- There are over **170,000 Medicare consumers** with income that is at the Federal Poverty Level, or only slightly above it, who may be eligible for assistance to help pay for Medicare Part D – but the level of assistance may be less than what they now receive from the State of Illinois.

Of these approximately 170,000 Medicare consumers, about 34,000 are currently on Medicare Savings Plans (MSPs) and will be automatically enrolled in low-income subsidy assistance. The other 136,000 need to be enrolled in an MSP to help them pay for Medicare premiums and they will all have to affirmatively apply for subsidy assistance through the Social Security Administration or state agencies.
- There are **77,000 Medicare consumers residing in nursing homes**; they will all have to enroll in Medicare Part D *and* may have to change from the pharmacy in the facilities where they live in to a new Prescription Drug Plan.

We are pleased to announce the launch of the **Make Medicare Work Coalition**, a collaborative project between the Health & Disability Advocates, Progress Center for Independent Living and Suburban Area Agency on Aging. **The Make Medicare Work Coalition** was organized to respond to the significant challenges posed to states, Medicare consumers and health care providers by the MMA. The MMW’s goal is to marry public policy development with targeted education, outreach and enrollment efforts. To achieve this goal, the MMW has developed three initiatives: the **MMW Policy Group**, the **HealthCare Choices Work Group** and the **HealthCare Choices Resource Center**.

To get more information about the MMW Coalition-- www.makemedicarework.org.

STATE PROGRAM CONSEQUENCES

- There are over *150,000 older adults* on Medicare with income between 150-200% of the Federal Poverty Level (FPL) who will not be able to receive any low-income subsidy assistance to help pay for Medicare Part D. Many currently receive prescription drug coverage through Illinois' SeniorCare program; they will need continuity of care and cost-sharing assistance in the transition to Part D.
- There are over *170,000 older adults in SeniorCare*; Illinois has committed to "leave no senior behind" in providing the same level of benefits in wrap-around coverage for Medicare Part D. *Note: Details on the wrap-around depend on actions of the Illinois State Legislature and are expected soon.*
- About *18,000 of older adults in SeniorCare*, almost 10%, are not eligible for Part D and Illinois has said it will seek renewal of the waiver to provide the same level of benefits for them *or* cover them with state funds.
- There are over *35,000 older adults* between 200-250% of FPL and adults with disabilities between 100-250% of FPL who are currently on the Illinois Pharmaceutical Assistance Program ("CircuitBreaker"); Illinois has committed to provide cost-sharing assistance and the same level of benefits to these individuals who must now enroll in Medicare Part D.

Illinois will also need to take an active part in educating all CircuitBreaker enrollees on choosing an appropriate Prescription Drug Plan to maintain continuity of care.

Approximately 30% of the total 51,000 enrollees in CircuitBreaker are not eligible for Part D and the state has committed to continue the same level of benefits for them. The other 70% will have to enroll in Part D. All classes of drugs currently covered under CircuitBreaker are covered under Part D, so the state is not proposing to expand coverage to any new classes of drugs under the program.

- There are 495 individuals who receive Medicare who are enrolled in the AIDS Drug Assistance Program (ADAP). Illinois should plan on how to provide continuing benefits and cost-sharing assistance for these individuals in the transition to Medicare Part D.
- Illinois needs to make plans for persons enrolled in the Illinois Comprehensive Health Insurance Program on how to best provide continuing benefits.
- Illinois is committed to helping state government retirees enroll in Medicare Part D and maintain their level of benefits.



www.makemedicarework.org

NOTES

The *Make Medicare Work Coalition* is made possible by grants from --

The Retirement Research Foundation

Michael Reese Health Trust

The Chicago Community Trust