

Medicare Modernization Act

Medicare Part D Enrollment Assistance

- Beginning *January 1, 2006*, Minnesota's Medical Assistance program will no longer pay for prescriptions for Dual Eligibles (people enrolled in both Medicare and Medicaid).
- All Medicare beneficiaries will be eligible to enroll in Part D including an estimated *109,000 people* who are eligible for a low income subsidy and currently have no drug coverage.
- There are approximately 7,700 enrollees in PDP and 93,000 MA duals (includes some PDP enrollees). *All PDP enrollees* are Medicare Part D eligible.
- The new benefit includes a two step process of 1. Enrolling in the Part D benefit, through the Social Security Administration, and 2. Choosing and enrolling in a plan beginning October 1, 2005.
- If the duals do not enroll and pick a plan by January 1, 2006, they will be auto-enrolled and auto-assigned.
- The state of Minnesota has a *federal mandate* to screen and assist people in enrolling.
- With the release of the final regulations, it is clear that the Minnesota Board on Aging, designated as the State Health Insurance Assistance Program for Minnesota (SHIP) has a *federal mandate* to provide enrollment assistance to Medicare Beneficiaries which will include reviewing all options.
- A *small amount* of additional federal funding was made available on a short term basis and will be insufficient to meet the needs.
- The Senior LinkAge Line®/SHIP *toll-free number* will be placed on all correspondence to beneficiaries.

The Minnesota Board on Aging is estimating that at a minimum, it will serve an additional 98,000 people with Part D questions annually.

The impact on Minnesotans:

- Beneficiaries who have no drug coverage now and are low income are estimated to save on average *\$1400 per year*.
- People who don't qualify as low income (above asset guidelines or income and asset guidelines) are estimated to save *\$414 per year*.
- This means less money spent on prescription drugs and more money spent on food, housing and *home and community based care options* that aren't currently covered under Medical Assistance or the MA waivers.
- A recent study shows that most beneficiaries are *unaware* that there was even a change in Medicare or think it doesn't apply to them.
- If beneficiaries don't *take action to enroll* during the 2005 open enrollment starting November 15, will begin accruing premium penalties on January 1, 2006.
- *Medicare Part D* impacts *all Beneficiaries*, including those that currently have coverage.

**RESTRUCTURE HEALTH CARE PROGRAM ELIGIBILITY
ENROLLMENT CHANGE ESTIMATES**

Change Item Page 29

**MinnesotaCare Enrollment Change Estimates
(not including impacts of HM)**

	FY 2006	FY 2007	FY 2008	FY 2009
Parents over 190% FPG	(4,930)	(8,212)	(8,841)	(9,049)
Adults without children under 75%	(12,968)	(18,464)	(19,503)	(20,419)
Adults without children over 75%	(14,473)	(19,234)	(18,696)	(17,939)
Total MinnesotaCare Enrollment Reduction	(32,370)	(45,910)	(47,040)	(47,407)

**MA and GAMC Enrollment Change Estimates
(not including impacts of HM)**

	FY 2006	FY 2007	FY 2008	FY 2009
Parents over 190% FPG	0	0	0	0
Adults without children under 75% - GAMC	9,522	14,118	14,822	15,518
MinnesotaCare Adults – MA Disabled	450	1,000	1,200	1,400
Adults without children over 75% - GAMC spenddown	1,812	2,404	2,337	2,242
Other GAMC spenddown (non MnCare)	1,200	1,600	1,600	1,600
Total MA and GAMC Enrollment Increases	12,984	19,122	19,959	20,760

**Minnesota Health Care Program Net Enrollment Change Estimates
(not including impacts of HM)**

	FY 2006	FY 2007	FY 2008	FY 2009
Parents over 190% FPG	(4,930)	(8,212)	(8,841)	(9,049)
Adults without children under 75%	(3,446)	(4,346)	(4,681)	(4,901)
Adults without children over 75% ¹	(11,011)	(14,230)	(13,559)	(12,697)
Total MinnesotaCare Enrollment Reduction	(19,387)	(26,788)	(27,081)	(26,647)

¹ The calculation includes the group of MinnesotaCare adults who are projected to move to MA with a disability. The movement of MinnesotaCare adults to MA with a disability is from all adult categories and not just adults without children over 75% FPG.

Restructuring Health Care Program Eligibility
Change Item Page 29

November 2004 Enrollment Forecast for Minnesota Public Health Care Programs (MA, GAMC and MinnesotaCare)

	MPHC Program Enrollment	Growth in Enrollment	Percent Growth in Enrollment
Actual			
FY 2000	495,709		
FY 2001	520,620	24,911	5.03%
FY 2002	565,650	45,030	8.65%
FY 2003	631,045	65,395	11.56%
FY 2004	647,421	16,376	2.60%
Forecast			
FY 2005	666,335	18,914	2.92%
FY 2006	688,182	21,847	3.28%
FY 2007	703,988	15,806	2.30%
FY 2008	713,275	9,287	1.32%
FY 2009	720,827	7,552	1.06%
Growth From 2005 to 2009		54,592	8.18%

Estimated Changes in Enrollment due to Governor's Budget Recommendations

	Net Enrollment Reduction	Percent Reduction from the Forecast
FY 2006	(19,385)	-2.82%
FY 2007	(26,788)	-3.81%
FY 2008	(27,080)	-3.80%
FY 2009	(26,647)	-3.70%

Estimated Enrollment in Governor's Budget for Minnesota Public Health Care Programs

	Total	Growth in Enrollment	Percent Growth in Enrollment
FY 2005	666,335	18,914	2.92%
FY 2006	668,797	2,462	0.37%
FY 2007	677,200	8,403	1.26%
FY 2008	686,195	8,995	1.33%
FY 2009	694,180	7,985	1.16%
Growth From 2005 to 2009		27,845	4.18%

Refinance Health Care Programs

Change Item Page 37

November 2004 Health Care Access Fund with Governor's budget proposals

	FY 2006	FY 2007	FY 2008	FY 2009
Forecasted HCAF Balance	\$89,281	\$226,165	\$485,612	\$770,129
Impact of Governor Budget Proposals	(\$80,445)	(\$108,595)	(\$104,367)	(\$116,385)
Projected HCAF balance	\$169,726	\$415,205	\$779,019	\$1,179,921
Forecasted HCAF Structural Balance	\$90,046	\$195,989	\$259,447	\$284,517
Impact of Governor Budget Proposals	\$80,445	\$108,595	\$104,367	\$116,385
Projected Structural Balance	\$170,491	\$304,584	\$363,814	\$400,902

November 2004 HCAF with Governor's Budget Proposals Plus Refinancing of Portion of Minnesota's Health Care Programs

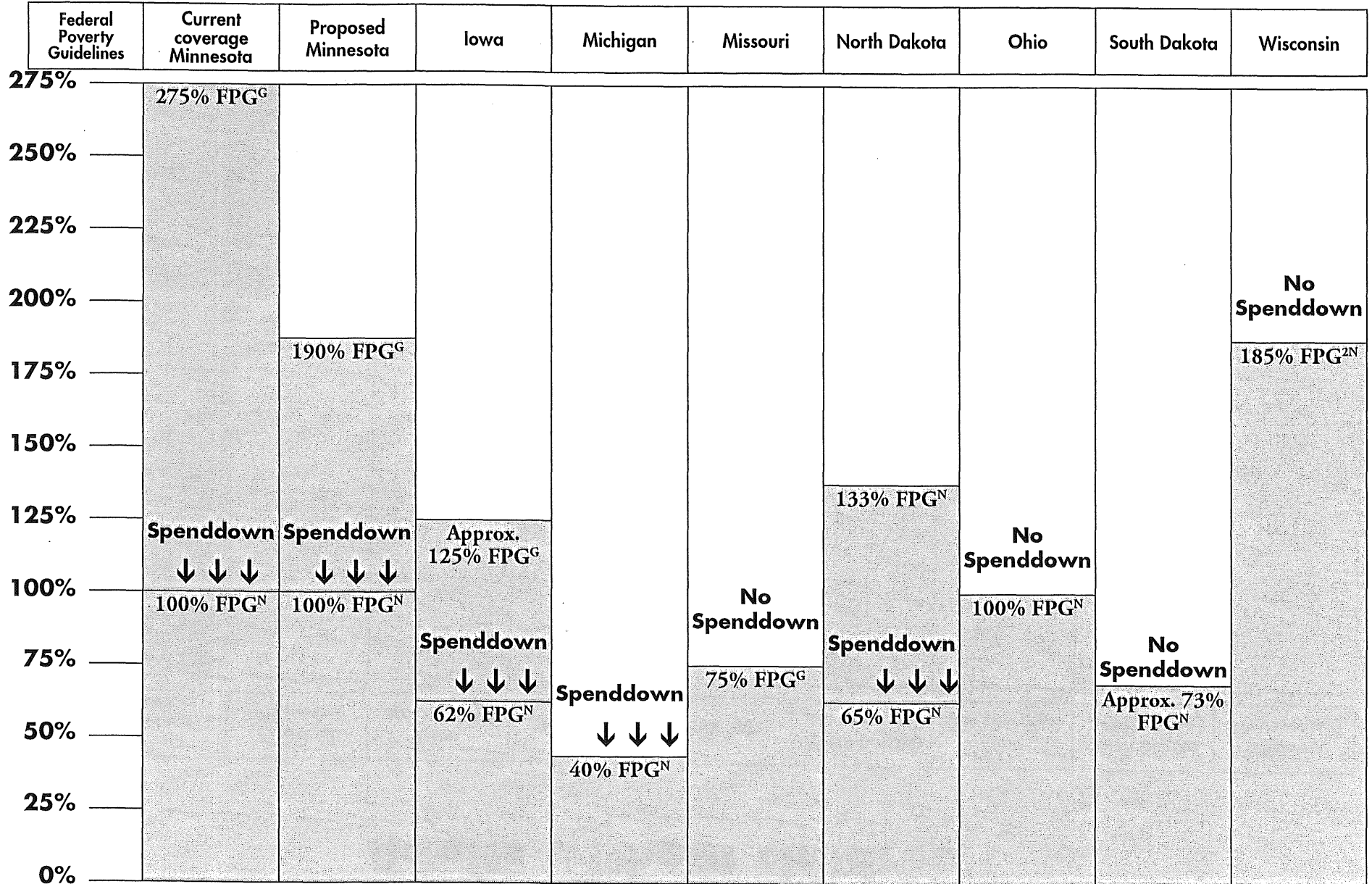
	FY 2006	FY 2007	FY 2008	FY 2009
Governor's Budget Projected HCAF Balance	\$169,726	\$415,205	\$779,019	\$1,179,921
Governor's Budget Projected Structural Balance	\$170,491	\$304,584	\$363,814	\$400,902
New Revenues				
HMO surcharge (cost to GF)	\$0	\$24,378	\$26,000	\$26,000
Hospital Surcharge (cost to GF)	\$0	\$88,500	\$95,000	\$95,000
Investment Earnings Change	(\$1,434)	(\$5,728)	(\$13,270)	(\$28,231)
New Expenditures				
GAMC Forecast (savings to GF)	\$205,226	\$379,295	\$427,062	\$464,187
Other GAMC impacts (savings to GF)	\$54,597	\$41,043	\$33,951	\$33,709
Provider Tax Transfer (cost to GF)	(\$49,413)	(\$52,659)	(\$49,441)	(\$52,287)
End of year balance transfer (cost to GF in 2006-07/savings 2008-09)	(\$46,694)	(\$25,064)	\$48,606	\$35,654
GF impacts	(\$163,716)	(\$229,737)	(\$339,178)	(\$360,263)
HCAF impacts	\$165,150	\$235,465	\$352,448	\$388,494
Governor's HCAF Balance with Refinancing	\$0	\$0	\$0	\$0
Governor's HCAF Structural Balance with Refinancing	(\$45,929)	\$34,041	\$48,606	\$35,654



Minnesota Department of Human Services

Publicly Funded Health Care Coverage for Parents and Caretakers¹

DHS-4361B 1-05



¹ Does not include pregnant women or individuals who are disabled.

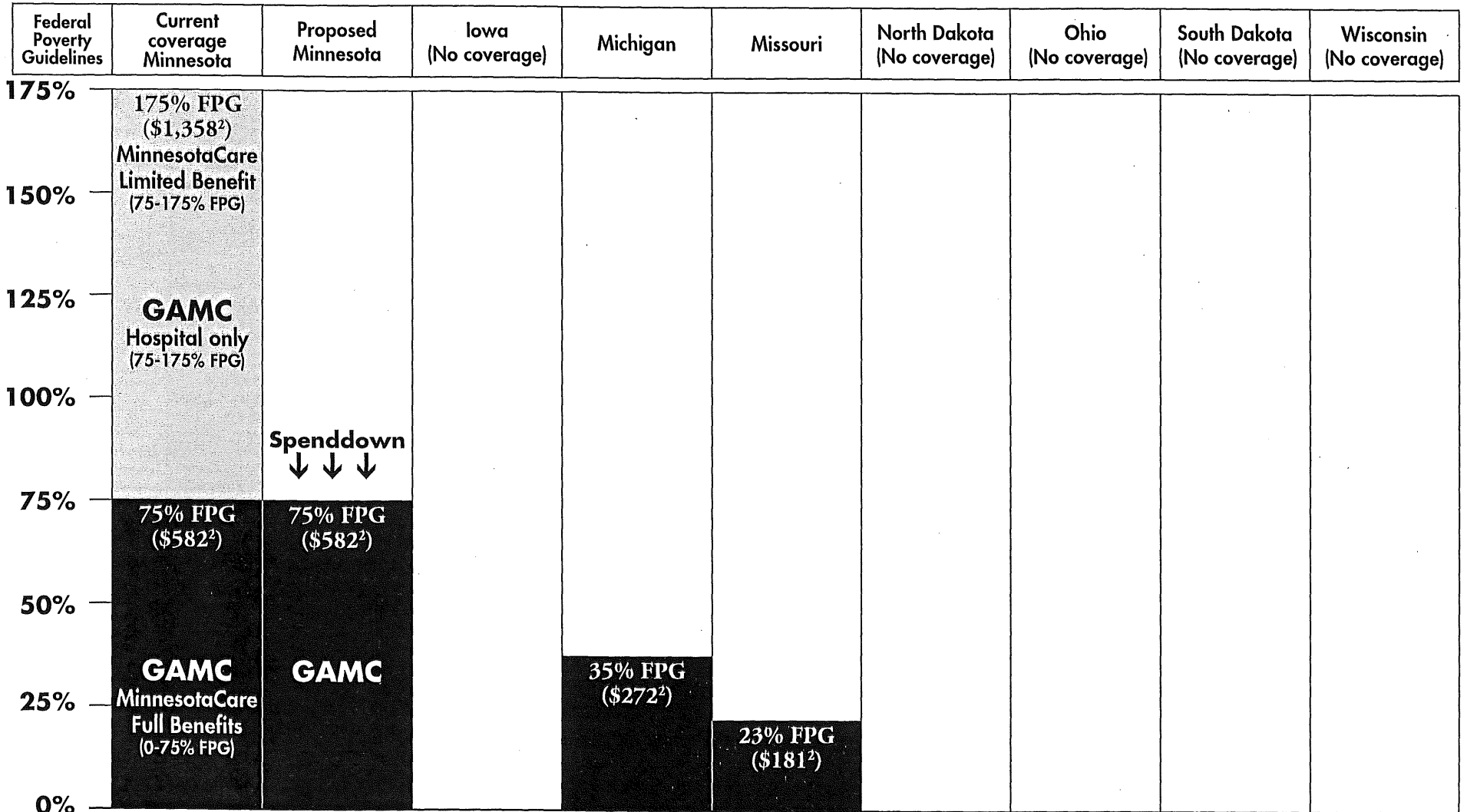
^G Gross Income Test

² Once enrolled, parents remain eligible to 200% FPG.

^N Net Income Test. Calculation includes one or more deductions from income.



Publicly Funded Health Care Coverage for Adults without children¹



¹ Does not include programs for individuals who are disabled, have breast or cervical cancer, or renal failure.

² Monthly income limit for a household of one.