**TO:** Local District Commissioners, Medicaid Directors

**FROM:** Judith Arnold, Director
Division of Health Reform and Health Insurance Exchange Integration

**SUBJECT:** Elimination of Medicare Part D Cost Sharing for Certain Full Benefit Dual Eligibles

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Local District Support Unit
Upstate (518)474-8887 NYC (212)417-4500

The purpose of this message is to provide local departments of social services (LDSS) with information regarding the extension of zero Medicare Part D cost sharing for certain full benefit dual eligible individuals. These individuals are not charged a Medicare Part D copayment at the point of service. Prior to January 1, 2012, only full benefit dual eligibles residing in a medical institution were eligible for zero Part D cost sharing.

Section 3309 of the Affordable Care Act amended section 1860D-14(a)(1)(D)(i) of the Social Security Act to extend zero Medicare Part D cost sharing to full benefit dual eligible individuals who would be institutionalized if they were not receiving services under:

- A home and community-based waiver authorized under section 1115
- Subsection (c) or (d) of section 1915
- A State plan amendment under section 1915(i), or if such services are provided through enrollment in a Medicaid managed care organization with a contract under section 1903(m) or under section 1932.

This provision is effective January 1, 2012.

All full benefit dual Managed Long Term Care (MLTC) enrollees qualify for zero Medicare Part D cost sharing as well as dual eligible recipients with the following WMS MA Restriction/Exception codes:

23- OMH Children’s Waiver
30– Long Term Home Health Care Program (LTHHCP)
44- HCBS at Home Residential Habilitation Non-Intensive
45- HCBS at Home Residential Habilitation Intensive
46- OPWDD Home & Community Based Waiver
47- OPWDD HCBS Supervised CR
48- OPWDD HCBS Supportive IRAs and CRs
49- OPWDD HCBS Supervised IRA
60- Nursing Home Transition & Diversion Waiver
62- 71 Care At Home (CAH I-X)
72- B2H (Bridges to Health) SED
73- B2H (Bridges to Health) DD Waiver
74- B2H (Bridges to Health) MedF
81- Traumatic Brain Injury (TBI)

The Department is responsible for identifying these individuals to the Centers for Medicare and Medicaid Services (CMS), which shares this information with the Medicare Part D plans. When a plan receives information from CMS that a member has qualified for zero cost sharing, the plan adjusts the member's cost sharing in its system and notifies the member of the change.

The retention of zero cost sharing follows the current Medicare Part D deeming methodology. Eligibility is retained until at least the end of the calendar year regardless of changes in the recipient's circumstances, except for death or moves out of State. If the individual is reported by the State for a reporting month in the second half of the calendar year (July through December) as receiving HCBS or enrollment in MLTC, the individual will remain eligible for zero cost sharing for the remainder of the calendar year and the next calendar year.

The Medicare Part D cost sharing level (1, 2, or 3) is viewable on the eMedNY resource screen by clicking on the MD link. Those eligible for zero cost sharing will have a "3" posted in the Co-pay Level field.

There are two other levels of Part D cost sharing represented by a "1" or "2" in the Co-pay Level field. These individuals are required to pay the Medicare Part D co-pays. Co-pay level 1 is for MSP only recipients. They are responsible for paying $2.60 for generics and $6.50 for brand name drugs. Co-pay level 2 is for full benefit dual eligibles, not otherwise eligible for zero cost sharing. They are responsible for paying $1.10 for generics and $3.30 for brand name drugs.