



Center for Medicaid and State Operations  
Disabled and Elderly Health Programs Group (DEHPG)

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May 25, 2006

Dear State Medicaid Director:

In previous guidance, we have discussed that when a beneficiary receives Medicaid and later becomes eligible for Medicare, the Medicare program becomes responsible for the person's prescription drug coverage and the State may no longer claim federal financial participation (FFP) for the person's prescription drugs. In an effort to keep you informed of the Centers for Medicare & Medicaid Services' (CMS) efforts to ensure the newly-dually eligible person has appropriate access to prescription drugs, this letter outlines the steps CMS is taking to prospectively identify these beneficiaries, as well as the steps CMS has taken to ensure they may have immediate access to prescription drugs.

CMS is working on a means to identify and enroll those Medicaid beneficiaries about to become Medicare eligible, who either turn 65 or reach the end of their 24-month Medicare disability waiting period. We expect to have this in place in the near future.

In the meantime, for the majority of new Medicare beneficiaries (not just people who are receiving Medicaid and about to become eligible for Medicare), CMS sends an initial enrollment packet, "Welcome to Medicare," introducing them to Medicare (attached). This package, among other things, explains how to enroll in a Part D plan. These individuals have an Initial Enrollment Period that starts three months prior to the month they become Medicare eligible, and can enroll with a Medicare prescription drug plan in advance so that enrollment will be effective the month they become Medicare eligible.

We appreciate that Medicaid recipients may not be aware of the importance of enrolling in a plan as they approach Medicare eligibility date; if they do not enroll in advance, they will have access to the WellPoint Point of Sale contingency plan to cover their immediate drug needs until CMS identifies them for auto-enrollment (for more information please see the attached guidance that has been previously distributed).

Thank you again for your continued assistance as we work to implement the new Medicare prescription drug coverage. We look forward to our continued partnership as we serve our beneficiaries.

Sincerely,

A handwritten signature in black ink that reads "Gale P. Arden". The signature is written in a cursive style.

Gale P. Arden  
Director

Enclosures:

WellPoint Fact Sheet/Instructions  
Welcome to Medicare package

cc:

CMS Regional Administrators

CMS Associate Regional Administrators  
for Medicaid and State Operations

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