

M-05-14, Impact of New Medicare Drug Benefit ...



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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June 7, 2005

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Joshua B. Bolten
Director

A handwritten signature in blue ink, appearing to read 'J. Bolten', with a long horizontal flourish extending to the right.

SUBJECT: Impact of New Medicare Drug Benefit and Low Income Subsidy on Eligibility for Other Federal Programs

On December 8, 2003, the President signed the Medicare Prescription Drug, Improvement, and Modernization Act (MMA), which will offer all Medicare beneficiaries' access to subsidized drug coverage beginning January 1, 2006. Medicare beneficiaries with incomes below 150 percent of poverty and limited assets are eligible for an additional low-income subsidy. The Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration, and many States, will be conducting outreach and education activities to encourage beneficiaries to apply for the low-income subsidy starting in May 2005.

Please develop and implement clear guidance to assure that Federal programs administered by your agency are ready for the launch of the Medicare drug benefit. If your agency believes the new Part D benefit might affect eligibility for one or more of your agency's programs, please have your agency's staff consult with CMS and discuss this issue with your OMB Resource Management Office.

Some examples of how the Part D benefit may affect eligibility for other programs have been posted at <http://www.cms.hhs.gov/medicarereform/drugcoveragefaqs.asp>, under the category "Low income." If you have questions, or would like further information on the Medicare drug benefit, please contact Leslie Norwalk, Deputy Administrator, Centers for Medicare and Medic