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## Survey Says:

Did you know that we spend **almost \$4 billion for diabetes-related hospitalizations** in America? According to statistics released as part of a new campaign by the U.S. Department of Health and Human Services (HHS), about **two-thirds of that expense can be avoided if Americans take the right preventive care measures.**

## GET ON THE BUS: "THE HEALTHIER US STARTS HERE!" TOUR IS COMING TO A CITY NEAR YOU



In an effort to promote awareness and encourage beneficiaries to take advantage of Medicare's preventive health services, CMS and its partners will conduct a tour across America this spring and summer. During the *Healthier US Starts Here* tour, CMS hopes to:

- Increase awareness and utilization of preventive benefits
- Encourage beneficiaries to speak to their healthcare providers about the preventive benefits available to them
- Encourage beneficiaries to enroll and use [mymedicare.gov](http://mymedicare.gov)

"Many beneficiaries are unaware that Medicare covers preventive screenings and other benefits, sometimes at no cost. New demands will be placed on the Medicare system as vast numbers of baby boomers begin reaching Medicare eligibility. The health of our beneficiaries and the health of the Medicare Trust Fund are going to

depend ever more on good prevention programs," said Acting Administrator Norwalk.

"Preventive health care can help people live healthier lives and can help reduce costs associated with treating chronic disease. From Seattle to Miami and Boston to San Diego, *A Healthier US Starts Here* will enlist the support of local organizations to help Medicare beneficiaries and all Americans learn how to live longer, healthier, and happier lives," HHS Secretary Mike Leavitt said.

Through community and region-specific events, prevention roundtables, and events to promote the Extra Help/Low-Income Subsidy (LIS) available through Medicare Part D, CMS hopes to join forces with its local and national partners to increase awareness among:

- Medicare beneficiaries and their loved ones

## HEALTHIER US STARTS HERE! (continued)

- Those who may be eligible for the Low Income Subsidy (LIS), but who have not yet applied for it
- Minority populations (African American, Hispanics, Asians, Native Americans, Alaskans Natives, Asian Pacific Islanders)
- Caregivers (friends, and families)
- Healthcare professionals (primary care, family, and community clinic physicians and healthcare providers)
- Medicare counselors
- Local and State Officials

SMPs are encouraged to contact their CMS or AoA Regional office for additional information about events in their areas. When the tour comes to your town, you can jump on board and contribute to the dynamic activities and partnerships for greater awareness and results!

### Medicare's Preventive Health Benefit Currently Covers:

- One time "Welcome to Medicare" physical (including an abdominal aortic aneurysm screening)
- Cardiovascular screenings
- Smoking cessation counseling
- Cancer tests – mammograms to screen for breast cancer; pap test and pelvic exam to screen for cervical and vaginal cancer, colorectal cancer screenings, and prostate cancer screenings
- Shots and vaccines – flu, pneumococcal, Hepatitis B
- Bone mass measurement
- Diabetes screening, glucose monitoring supplies, and self-management training
- Medical nutrition therapy for people with diabetes or kidney disease
- Glaucoma test

If you would like to receive a copy of the CMS Medicare Preventive Health Benefits Toolkit, which includes publications, training materials, and a video loop to raise awareness of the importance of prevention, please contact Candice Griffin at [cgriffin@smpresource.org](mailto:cgriffin@smpresource.org).

## PARTNERSHIP DEVELOPMENT AT CARIE

The Pennsylvania SMP, CARIE, is dedicated to improving the quality of life for vulnerable older people through advocacy and education. They receive both SMP and SMP Integration Grant funding for the organization's health care fraud education program. CARIE focuses on advocacy through a client-centered approach that includes a consumer resource helpline called the CARIE LINE. The helpline provides advice on any issue related to aging, including health care fraud, gas bill payments, transportation concerns and housing problems. They also provide community education, professional training, individual counseling and problem solving.

Rebecca Nurick, SMP Coordinator, described her approach to developing and maintaining mutually beneficial partnerships. Specifically, CARIE's new SMP Integration Grant is based on a new partnership with the Alzheimer's Association of Delaware Valley. The innovative idea under their new grant is to educate Alzheimer's caregivers, who are also often Medicare beneficiaries, about the risks of health care fraud to themselves and their loved ones.

Ms. Nurick emphasized that the existing good working relationship between CARIE and the Alzheimer's Association was the foundation for this new partnership. CARIE had already often referred Alzheimer's related issues to the association when they arose during CARIE LINE or in person individual counseling.

CARIE is aware of 268,000 Alzheimer's caregivers in the area they serve. The new partnership will allow each organization to utilize their special resources to reach this large, under-acknowledged population. An effective "give and take" is important in order to reach such a large number of people. CARIE will educate Alzheimer's support group leaders with their fraud prevention curriculum. The association's support group leaders will be responsible for teaching caregivers within individual groups about health care fraud prevention. The partnership agreement also secured newsletter space and involvement in the Alzheimer's Memory Walk in the Fall. CARIE will submit health care fraud prevention newsletter items to the Alzheimer's Association. Based on the percentage of Alzheimer's Association's activity level commitment within the partnership, CARIE's Integration Grant also incorporates a financial component.

While seeking out new partnerships, Ms. Nurick recommends that SMPs remember local multicultural organizations. CARIE has partnered with DH/Perfil Latino Television in New Jersey. They also worked with the Polish American "PATH" radio program to get the Part D anti-fraud message out to a specific ethnic community. Partnerships with multicultural associations provide opportunities for access to the communities they serve, as well as to potential translation services.

The Retired Senior Volunteer Program (RSVP) has been another invaluable partner for the volunteer-based Pennsylvania SMP. Often managed by local AAAs, this organization's mission is to place senior volunteers. Typically, they will announce calls for volunteers in their newsletter. Ms. Nurick noted that this group has been particularly helpful with improving the SMP's statewide expansion. CARIE contacts the RSVPs county by county and is able to further enhance those partnerships by demonstrating good working relationships in other counties. Besides the actual volunteer placement, CARIE is also able to benefit RSVPs with consistent volunteer recognition. CARIE staff members attend RSVP recognition events, do their own recognition and provide volunteer appreciation gifts.



## CARIE (continued)

Overall, CARIE relies on partnership development to continually enhance community outreach. The give and take of mutually beneficial partnerships with local associations, volunteer groups and multicultural organizations produces results!

For more information about CARIE, visit [www.carie.org](http://www.carie.org).

### MEDICARE PART D APPEALS HELP FOR ADVOCATES IS HERE!

The Medicare Rights Center's new "[Medicare Part D Appeals: An advocate's manual to navigating the Medicare private drug plan appeals process,](#)" offers an easy-to-understand, comprehensive overview of the entire appeals process, including real-life case examples, a glossary of important appeals terms, a sample protocol for advocates, and links to important resources.

[Register for a FREE copy](#) of this great resource.

## THE HIGH PRICE OF FRAUD

Since its inception, the Medicare program has grown drastically and currently covers more than 43 million persons and has total expenditures of over \$382 billion. With increasing dollars at stake and the growing beneficiary population, the significance and challenges of safeguarding the program are greater than ever.

Earlier this month, the Committee on Energy and Commerce Subcommittee on Health held a hearing on *Medicare Program Efficiency and Integrity* and reiterated concerns surrounding the cost of Medicare fraud. The panel included Mark Miller, Executive Director of the Medicare Payment Advisory Commission; Leslie Norwalk, Acting Administrator of the Centers for Medicare and Medicaid Services; Stuart Wright, Deputy Inspector General for the HHS Office of Inspector General and; Daniel Fridman, Senior Counsel to the Deputy Attorney General and Special Counsel for Health Care Fraud for the Department of Justice.

According to the testimony of Daniel Fridman, Medicare, Medicaid and health care fraud prosecutions and civil settlements have resulted in an estimated \$11.87 billion in total recoveries since 1997. Of this total, \$10.6 billion has been transferred or deposited back into the Medicare Trust Fund and \$604 million, representing the federal share of Medicaid fraud recoveries, has been transferred to CMS. These monetary recoveries go back into Medicare and Medicaid programs.

During the hearing, Norwalk spoke extensively on the matter of fraud, waste and abuse and noted CMS' continued commitment placed on prevention and detection. To accomplish its goals, CMS has made changes to its program integrity activities.

### *CMS' Efforts in Prevention and Detection*

Over the past year, CMS has been diligent in its operational efforts to address Medicare fraud, waste and abuse. These efforts include the establishment of the Program Safeguard Contractors (PSCs), the use of Recovery Audit Contractors (RACs) and the implementation of new DMEPOS Accreditation Standards.

## FRAUD (continued)

### Program Safeguard Contractors

The Program Safeguard Contractors are CMS' fraud, waste and abuse detection contractors and were established nationwide across all provider and supplier types in the Medicare fee-for-service program. The PSCs perform data analysis to:

- Identify potential problem areas;
- Investigate potential fraud;
- Develop fraud cases for referrals to law enforcement; and
- Coordinate Medicare fraud, waste and abuse efforts with CMS' internal and external partners.



In addition to the PSC's efforts, CMS is improving its own data analysis efforts. To this end, CMS is collecting vulnerability data from many of its partners and using a number of analysis tools to review the claims data. This data will help the agency to focus on vulnerabilities early and identify areas that have a high estimated dollar impact on the Medicare program. These program integrity efforts will focus on developing corrective actions for the top ten vulnerabilities identified through data analysis.

### Recovery Audit Contractors (RACs)

In an effort to detect improper payments in federal programs, Section 306 of the Medicare Modernization Act gave CMS contracting authority to demonstrate the use of Recovery Audit Contractors in identifying Medicare underpayments and overpayments, and collecting the overpayments. So far, CMS has implemented RACs in three states—Florida, New York and California and in Fiscal Year 2006, collected \$68.6 million in overpayments and identified more than \$300 million in improper payments. With the success of the demonstration in these three states, CMS is now in the process of developing its expansion and implementation plans.

### Durable Medical Equipment and Provider Enrollment

In FY 2005, Medicare paid over \$10 billion in claims for durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) that are necessary and reasonable for the treatment of a beneficiary's illness or injury. According to Stuart Wright, the OIG has consistently found that the Medicare DMEPOS benefit is vulnerable to fraud and abuse. And according to Norwalk, "CMS has seen a marked increase in fraud and abuse activities over the past few years...The fraudulent business practices of unscrupulous durable medical equipment suppliers continue to cost the Medicare program billions of dollars."

Over the past decade, OIG has identified and reported on weaknesses in Medicare's enrollment process for and oversight of DMEPOS suppliers. As a result, CMS is implementing new DMEPOS Accreditation Standards which will ensure that suppliers meet CMS's certification standards.

Another method that CMS will use to curb the cost of fraud to the Medicare program is to better monitor a provider or supplier once it has entered the program. CMS' actions will include:

- Implementing claims specialty editing to ensure suppliers are only paid for items that they are properly accredited to provide;

**FRAUD** (continued)

- Increasing the number of random site visits to suppliers;
- Requiring greater claims scrutiny for high fraud risk suppliers;
- Deactivating providers with inactive provider numbers; and
- Providing additional resources for investigative staff to increase proactive initiatives by the National Supplier Clearinghouse and PSCs.

The federal government is working diligently to address Medicare fraud, waste and abuse. The OIG and CMS are both committed to identifying areas in the program where dollars are not being utilized efficiently or are vulnerable to fraud and abuse. Protecting the Medicare Trust Fund is not simply about dollars, it is a commitment to ensuring that beneficiaries have access to, and are receiving high quality care from honest and dedicated providers. The SMP program also plays a tremendous role in these efforts. Through the continued commitment to beneficiary protection and education, SMPs will persist as an indispensable partner in the national effort to reduce the high cost of fraud.

### Durable Medical Equipment

Do you have questions about which medical equipment Medicare will help pay for? Have you received questions from beneficiaries about the coverage that is provided for wheelchairs, walkers or hospital beds? If you answered "yes" to either question, then you can find answers by listening to a web seminar made available by The Medicare Rights Center.

In an effort to educate professional, caregivers and people with Medicare about Durable Medical Equipment coverage, the free educational web seminar explains:

- When Medicare pays for durable medical equipment
- What types of durable medical equipment Medicare covers
- What Medicare pays if you need durable medical equipment
- What your rights are to get Medicare durable medical equipment

To listen to a recording on the seminar or to download a copy of the presentation, visit [www.medicarerights.org](http://www.medicarerights.org).

## REAL-WORLD BULLETIN BOARDS STILL A COMMUNICATIONS TOOL

Despite the growing number of online tools for communicating with volunteers and fostering exchange among volunteers, don't forget the basics. This is a tip praising the old-fashioned, but still-powerful, bulletin board. Since bulletin boards are relatively inexpensive, add several to your supply budget. Here are a few places to mount them:

- By your desk, where it can be seen when someone sits and talks with you.
- Wherever volunteers, staff, and visitors might gather or wait in another part of your office.
- Outside the door of your office.
- In a staff lounge.
- In the public lobby, waiting room, or entrance hall of your agency's building.



If a bulletin board is colorful, neat, and looks cared for (i.e., outdated things removed, remaining items straightened, and new things posted often), people DO stop and read them. Help quick browsers by using large-letter headlines for sections of the board under which you'll be posting monthly/weekly/daily items and tagging special and new things with colored paper bursts (New! Read this! Surprise! You're invited!).

For the bulletin board directly at your desk and near office visitors, select an ever-changing array of things that you are proud of and consider it subliminal advertising!

Even if only a few items catch someone's eye, you can set the tone and raise expectations about volunteers by such things as:

- Photographs of volunteers *doing* something, especially something unexpected. Pick a shot that reflects the diversity of the volunteer corps, too. This not only informs everyone of what is going on, but is also great informal recognition for those involved.
- Pithy items extracted (and enlarged for easy reading at a distance) from your monthly report, such as the creation of a new service created or the completion of a goal.
- Letters of appreciation from clients, staff, and volunteers themselves.
- Advance notice of in-service training events, with the topic and speaker, not just the date.

All of these ideas work equally well in the other bulletin board locations, but emphasize things that matter the most to the people most likely to pass by each spot. For example, in the staff lounge, make sure the photos show both volunteers and staff. Nothing elicits more comment than frequently changing (and often funny) photographs. In the reception area, the bulletin board can include a holder for take-away literature about current volunteer opportunities - not just a standard, generic brochure, but something with a current date at the top and a list of openings today or a wish list of special talents you could put to use.

Humor is a great tool, too. Assign a few volunteers to be on the lookout with you for cartoons, jokes, and other bring-a-smile items that are *relevant to your work*, not just plain funny. Priority would be things about volunteering, but offering humor related to your setting or type of work will also please people - and you are trying to gather the halo effect from offering this tiny respite to them. (You might even have a small credit line thanking the person who found the item, which will encourage anyone to give you something

**COMMUNICATION** (continued)

funny for another week.) If you don't feel humor is appropriate, what about seeking "factoids" relevant to your work? Brief statistics, historical facts, or well-stated quotations will work as well as jokes to attract attention and buzz.

This may be a matter of taste, but try to avoid saccharine postings that feed into people's outdated notions of volunteering. Don't put up birthdays, grandbaby announcements, and other personal items largely irrelevant to the rest of the staff or general public. (If you think volunteers themselves are interested, put these on the board where they hang their coats - but note that some volunteers think this sort of stuff is denigrating, too, so always be sure to have both types of postings.) Remember why you're doing this: as a way to keep volunteering visible in your agency and position the volunteer services office as a "happening place." And I'll bet there are one or two volunteers out there who would love this assignment as Publicity Specialists.

Copied with permission from *Susan Ellis, Energize*, <http://www.energizeinc.com>

## DEFICIT REDUCTION ACT OF 2005 BOOSTS STATE MEDICAID FRAUD EFFORTS

On March 22, 2007, CMS issued the latest guidance to states to improve their Medicaid fraud, waste and abuse efforts. The Deficit Reduction Act of 2005 (DRA) mandated several State initiatives to improve their Medicaid fraud, errors and abuse programs, including:

1. enacting of a State False Claims Act;
2. requiring entities who pay State Medicaid claims, or receive Medicaid payments of at least \$5 million per year to conduct employee education about the federal False Claims Act;
3. enacting laws to require health insurers doing business in the State to provide coverage eligibility and claims data to the State Medicaid program; and
4. imposing additional documentation requirements on individuals applying for State Medicaid programs.



Most controversial, States moved quickly to require additional documentation for Medicaid eligibility on beneficiaries.

In August and September, 2006 CMS issued guidance to states on enacting state false claims acts, and, consistent with DRA, now provides financial incentives to states to encourage fraud, waste and abuse investigations/prosecutions under federal and state false claims acts.

In December 2006, CMS issued Q and A's to clarify federal Medicaid requirements that states make all reasonable efforts to establish "third party liability" for medical services provided to Medicaid beneficiaries. DRA requires States to enact laws to ensure that private insurers, health plans, prescription benefit managers, and third party plan administrators share with state Medicaid programs information regarding eligibility and health benefits available to individuals through private health plans. CMS is working to develop precise data elements that must be shared between state Medicaid programs and private health insurance plans.

**DRA** (continued)

Finally, the March 22<sup>nd</sup> guidance provides frequently asked questions and answers to the entities or organizations contracting with the state Medicaid program which must provide employee education on Medicaid fraud, waste and abuse. DRA requires any entity receiving \$5 million or more in payments from the state Medicaid program, or paying out on behalf of the state Medicaid program \$5 million or more to provide employee education about fraud, waste or abuse. These requirements are intended to help health providers/payers' employees identify and report Medicaid fraud, waste or abuse and to allow *qui tam* lawsuits that have proven effective in pursuing Medicare fraud, waste and abuse activities.

DRA also requires CMS to develop a five-year plan for a Medicaid Integrity Program, increases funding to the OIG to increase Medicaid fraud, waste and abuse efforts, increases funding to the Medicare/Medicaid data matching program and requires states to work with the federal Medicaid Integrity Program efforts.

**Medicaid Fraud Webinar**

The Center is pleased to announce a Medicaid Fraud Webinar on  
May 10<sup>th</sup> 2007, from 2:30 to 4:00pm Eastern Time.

Our panel includes:

- Sue Andersen, Health Care Attorney, Health Care Consultant
- Bill Mahon, Health Care Fraud Consultant, former director of the NHCAA
- John Krayniak, New Jersey Assistant Attorney General, Senior Counsel for New Jersey MFCU, former director of New Jersey MFCU
- Kevin Jones, Ohio Medicaid Program Integrity Manager, Office of Ohio Health Plans

These representatives from the Medicaid Anti-Fraud Community will:

- provide background information on health care fraud,
- highlight recent Medicaid Fraud issues, and
- discuss best practices for effective detection and referrals.

This teleconference, organized by The National Consumer Protection Technical Resource Center, will include approximately one hour of presentation time and twenty to thirty minutes for Questions and Answers.

The call is open to the SMP community and their partners. It is a web seminar format, so participants with access to the Internet will be able to view the PowerPoint slides during the presentation. Participants without Internet access may still call in for the audio portion of the presentation.

Registration is limited and available on a first come, first served basis. Visit [www.smpresource.org](http://www.smpresource.org) to register.

## INTEGRATION GRANTEE SPOTLIGHT

In late 2004, U.S. Administration on Aging (AoA) awarded 14 two-year Integration Grants to existing SMP projects, to develop new partnerships or “cutting edge” approaches to improve Medicare/Medicaid beneficiary education. AoA identified three priority areas for collaboration and program integration, including: Medicaid fraud, home health care fraud, and fraud related to new benefits of the Medicare Modernization Act. The funding was awarded to SMP projects to advance the vision of SMP as an integral part of health care fraud prevention, identification and reporting across the country.

Building on the success of the original Integration Grants, AoA announced fifteen new SMP-Integration grantees in September 2006. AoA expanded Integration priority areas to include: Targeted training and education to isolated and hard-to-reach populations.

In this edition of The Sentinel we will be sharing information on two of the fifteen grantees: AgeOptions of Illinois and DH/Perfil Latino TV, Inc. of New Jersey.



### Connecting Older Adults with Community-based Resources and Options

AgeOptions, the Suburban Area Agency on Aging, is administering the “AgeOptions SMP Collaborative” under the Administration on Aging SMP Integration Grant Program. The goal of this program is to develop new partnerships and cutting edge approaches to improve Medicare/Medicaid beneficiary education for low health literacy and homebound seniors. AgeOptions and our Partners encounter thousands of people who are challenged by complicated paperwork, do not understand their benefits or rights, and are afraid to report or question errors and fraud. We are developing customized materials using representatives of the intended audience to review, edit, rework and then pilot their use. Partnering with the following organizations allows AgeOptions to meet its goal:

- The United States Postal Inspection Service, Chicago Division
- Dominick’s Finer Foods
- Meals On Wheels Association of America (MOWAA)
- Make Medicare Work Coalition (MMW)

#### Selected Significant Activities:

Three (3) focus groups will be conducted in April, which will reflect the demographics and literacy levels of target audiences. AgeOptions has developed simplified versions of outreach materials, such as an audio public service announcement, fraud intake form, and prescription bag insert, which will be tested in the focus groups. Feedback will be solicited about the materials presented at the focus groups and materials will be amended based on the findings and suggestions.

(continued on page 11)

## INTEGRATION GRANTEES (continued)

AgeOptions has been working with three (3) Meals On Wheels sites, where each coordinator has been trained on the SMP message. The three sites are Clinton County Senior Services in Illinois, HELP of Ojai in California, and Aging Projects, Inc in Kansas. These sites were selected by the Meals On Wheels Association of America (MOWAA) based on the populations they serve, which include low literacy and rural older adults. Helpful feedback was received to modify the training protocol to customize it for MOWAA clients. Specific duties/responsibilities of these agencies include: identify major activities and accomplishments, provide number of educational materials distributed, partner with their local community agencies, record presentations that incorporate the SMP message, and identify challenges encountered.

Outreach materials, such as the poster and brochure have been developed with simplified language to be tested at the focus groups. These materials will be provided to MOWAA for production and dissemination once they are tested by the focus groups.

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### DH/Perfil Latino TV, Inc.

(DH)/PERFIL LATINO TV, Inc. will mobilize Latino Medicare and Medicaid beneficiaries and senior serving partner organizations across two existing SMP initiatives in collaboration with AoA resources for training, technical assistance and support aimed at controlling health care error, waste and fraud.

The three year **objectives** are to:

- 1) Establish a consortium of community-based agencies in Southern New Jersey (DH/Perfil Latino TV, Inc), central New Jersey (New Jersey HAVE), and Delaware (Latin American Community Center) to assist in planning and implementing the project while working in close partnership with an interdisciplinary team of federal, state, and local resources.
- 2) Recruit, train, and support retired individuals in five communities in two states to serve as peer advocates and to provide public education and outreach to Latino seniors and their families in small towns and rural areas in Cumberland county, New Jersey, and in New Castle county, Delaware.
- 3) Apply our considerable experience and expertise with electronic and print media to create a culture and language appropriate-community based public education and information program to modify beneficiary knowledge, attitudes and behaviors associated with identifying and reporting health care error, abuse and fraud in the New Jersey and Delaware target populations.

We came back energized from our first SMP Integration Grantee training and the US Administration on Aging National Leadership Summit on December 5 - 6, 2006 in Washington, DC. Our project director, 2 site coordinators for New Jersey and 1 site coordinator for Delaware were able to attend.

We have already done a press conference/breakfast for the media in Cumberland Country, New Jersey and we are planning a similar event for Delaware. The grant is a collaborative effort between the NJ SMP's (DH/Perfil Latino TV and the Jewish Family Vocational Service of Middlesex County) and the Latin American Community Center in Delaware to increase the education and participation of hard to reach Hispanic seniors across the two states in detecting Medicare fraud and abuse.

We have been featured in two area local newspapers: Nuestra Comunidad and Su Voz. And SMP ads are running on local TV station QBC-TV-2 and AM Radio 1440 weekly.

## INTEGRATION GRANTEES (continued)

Jointly with the Jewish Family Vocational Service of Middlesex, we produced new SMP brochures and business cards for the area both in Spanish and English with our toll free tracking number 1-877-678-4697. They all include the new SMP logo.

For more information about the Integration Grantees visit [www.smpresource.org](http://www.smpresource.org).



### May is Older Americans Month: Making Choices for a Healthier Future

Make plans now to celebrate Older Americans Month (OAM) in May. Historically, Older Americans Month has been a time to acknowledge the contributions of past and current older persons to our country, in particular those who defended our country. Every President since John F. Kennedy has issued a formal proclamation during or before the month of May asking the entire nation to pay tribute in some way to older persons in the community. OAM is celebrated across the country through ceremonies, events, fairs and other activities.

For the SMP program, OAM presents a wonderful opportunity to celebrate and honor seniors. The month-long celebration provides an occasion to highlight the need for older persons to make thoughtful choices that can help them remain healthy, productive and financially secure.

For materials you can use to celebrate this event, please visit [www.aoa.gov](http://www.aoa.gov).

Visit us on the web at [www.smpresource.org](http://www.smpresource.org)

Phone: 877.808.2468

E-mail: [info@smpresource.org](mailto:info@smpresource.org)

For more information about the National Consumer Protection Technical Resource Center, please visit us at [www.smpresource.org](http://www.smpresource.org).

All newsletter submissions and inquires should be directed to Candice Griffin at [cgriffin@smpresource.org](mailto:cgriffin@smpresource.org).

Newsletter development is supported in part by grant No. 90AM2806, from the Administration on Aging, Department of Health and Human Services. Grantees undertaking technical resource centers under government sponsorship are encouraged to express freely their findings and conclusions. Therefore, points of view or opinions do not necessarily represent official Administration on Aging policy.

## GLAD YOU ASKED!

*Question: Is it true that some beneficiaries do not have to pay a late enrollment penalty for Medicare Part D?*

People who are approved for the Extra Help/Low-Income Subsidy (LIS) available under Medicare Part D will not face a late enrollment penalty if they sign up for a Part D plan in 2007. The late enrollment penalty increases Part D monthly premiums by 1 percent per month that a beneficiary is eligible for Part D but does not sign up for a plan. It is a permanent increase for as long as a beneficiary is enrolled in Part D.

This highly publicized penalty was designed to control Part D enrollment chaos by encouraging seniors to participate in a drug plan as soon as they became eligible. However, CMS has determined that this penalty may act as a barrier to beneficiaries eligible for the LIS taking advantage of Part D. Instead of receiving a penalty, beneficiaries who newly qualify for the LIS can join a plan through December 31, 2007. If they do not choose a plan on their own, CMS will enroll them in a randomly chosen plan through the facilitated enrollment process.

The penalty still applies to all Medicare eligible beneficiaries who do not qualify for the low income subsidy and miss their enrollment deadline. One notable exception applies to beneficiaries who have prescription coverage considered to be as good as what Medicare is offering (called "creditable coverage"). If they lose that prescription coverage or their coverage changes so that it is no longer considered to be creditable, they will have a Special Enrollment Period where they can join a Part D plan without facing the late enrollment penalty. (Resources for this article include: Lopes, Wash. Times, 1/12/07 and Brody, NY Times, 11/7/06.)

*Confused or have questions about the late enrollment penalty? Contact The Center for help at [info@smpresource.org](mailto:info@smpresource.org)*