

Executive Summary

Beginning in January of 2006, more than 14 million Medicare beneficiaries with limited incomes and resources will have an extraordinary opportunity to receive subsidized, comprehensive prescription drug coverage. To the average person with Medicare who qualifies for the benefit, this Low-Income Subsidy (LIS) available through Medicare's new Prescription Drug Coverage will cover between 85% and 100% of their prescription drug costs and will provide more than \$2,100 in annual savings. Because almost half of limited-income Medicare beneficiaries without drug coverage currently forgo prescribed medications due to costs, this new benefit could literally be a "lifesaver" for many people. It is the most important expansion of benefits for seniors and the people under age 65 with disabilities with limited incomes in the past forty years.

About half of those who are qualified for the new Medicare LIS benefit are already enrolled in other public benefits and therefore will receive the subsidy automatically. *However, approximately 7.2 million other limited-income Medicare beneficiaries will not receive the new LIS benefit unless they submit an application.* Finding and enrolling the remaining seven million people in a short period of time is a daunting task. Historically, relatively small percentages of eligible seniors and people with disabilities have enrolled in many needs-based government benefit programs, even after many years of effort. For example, only 53% of the elderly who are eligible for SSI are enrolled in the program, and just 30% of the senior citizens who are qualified for Food Stamps currently are receiving them.

One of the reasons for these historically low enrollment levels has been a lack of comparative evidence-based information about best practices for finding and enrolling limited-income adults. In early 2005, the Access to Benefits Coalition (ABC) began a study to identify and document the practices and strategies that could help meet the enrollment challenge. Hundreds of organizations throughout the nation—federal agencies, state and local governments, community-based nonprofits, pharmaceutical companies—have run projects designed to find and enroll Medicare recipients with limited incomes in various

benefits. In examining the costs, successes and challenges of a selection of these projects, ABC has identified specific practices and principles that result in successful enrollment.

This study shows that efficiency and effectiveness varied dramatically, even among projects considered to be "good." The cost per beneficiary enrolled varied from \$280 to \$24. This range was not driven by demographics or geography. Rather, specific strategies and tactics made all the difference. While this level of variance is not surprising in a field that has many players acting independently, it makes increasing the level of planning and coordination in enrollment efforts for this new benefit all the more important.

This report presents findings that will enable us as a nation to more effectively find, educate and enroll people with limited incomes in the benefits to which they are entitled. This study shows that these individuals can be enrolled for a reasonable cost per person, and it identifies which strategies and activities are most successful at doing so. The ten key findings of the study are:

1. Several different outreach and enrollment approaches can be implemented successfully at a reasonable cost
2. Success rates and costs vary dramatically across and within approaches. Different approaches can be efficient and yield excellent results, but only if they are implemented well
3. Some of the key factors for reducing costs and increasing success include:
 - Well-executed phone-based enrollment
 - Use of technology such as online eligibility tools and wireless Internet access
 - Careful planning of the method, frequency and format of contact
 - "Qualifying" leads by identifying those most likely to be eligible before beginning the enrollment process
 - A steady volume of qualified leads matched with an organization's capacity

4. The use of lists of likely eligible beneficiaries for targeted outreach and enrollment efforts is among the most promising, cost-effective and scalable approaches, and is necessary to maximize enrollment
5. A “person-centered” approach using trusted intermediaries to provide one-on-one assistance and screening for multiple benefits enhances results
6. Coordination and division of roles among agencies improves outreach and enrollment outcomes
7. Much of the target population is geographically concentrated, calling for similarly deployed outreach and enrollment resources
8. Continuous learning is critical, both from one’s own efforts, by testing, analyzing and refining the approach, and from best practices across projects
9. Government policies and practices that make it easier for consumers to apply for benefits have a large impact on enrollment success
10. Reaching full, or almost full, LIS enrollment will likely require hundreds of millions of dollars, millions of hours of one-on-one assistance to potential beneficiaries, and well over a year to accomplish.

The “call to action” which concludes this report identifies the action steps for federal agencies, state and local governments, philanthropy, corporations, national and local voluntary organizations and the U.S. Congress that ABC believes are needed to maximize enrollment.

This study shows that it is feasible to find and enroll most of the 7.2 million people who are eligible for the LIS (but who will not be automatically enrolled) at a reasonable cost per person enrolled. However, maximizing enrollment will require an unprecedented level of collaboration and coordination between the public and private sectors, extensive use of evidence-based enrollment strategies such as the ones outlined in this report, adequate financing of enrollment services, and a long-term national commitment to achieving exceptional results.

NOTE

As of the end of May 2006, more than 9 million people are now receiving the Extra Help/Low-Income Subsidy (LIS)—7.3 million people were automatically enrolled because they were in one of the groups “deemed eligible” for the LIS, and 1.85 million people applied on their own and were approved for the LIS. Estimates from CMS indicate that 75 percent of those who have not yet signed up for a Medicare drug plan may be eligible for the LIS, and many others who have already signed up for Medicare drug plans may also be eligible for the LIS, and not know it. Thus, while some progress has been made, there is still much work to be done. In spring 2006, the Centers for Medicare & Medicaid Services (CMS) announced a demonstration program giving Medicare beneficiaries newly eligible for the LIS a Special Enrollment Period (SEP) that allows them to join a Medicare drug plan after the May 15, 2006 enrollment deadline without facing the Late Enrollment Penalty.

While much has been learned this past year from the widespread efforts to find and enroll people in the LIS, the lessons from this benchmarking study still hold true. Many beneficiaries need person-centered, one-on-one assistance in order to complete and submit LIS applications, and effective use of lists of qualified leads and technology (including laptops with wireless access, well-executed phone-based enrollment centers, and more) can greatly assist community-based organizations in their efforts to help this population. The SEP authorized by CMS offers the public and private sectors an additional window of opportunity to implement the successful strategies outlined in this report, increase LIS enrollment numbers, and provide the significant assistance offered by the LIS to those who need it most.