

CHAPTER 91  
MEDICARE DRUG SUBSIDY

PREAMBLE

Public Law 108-173, the Medicare Modernization Act of 2003, created a prescription drug benefit for Medicare beneficiaries (Medicare Part D) and a subsidy to reduce or eliminate costs associated with the Medicare drug benefit for persons with limited income and resources. The Act requires both the federal Social Security Administration and state Medicaid agencies to accept and adjudicate subsidy applications. The Social Security Administration refers to the subsidy as “extra help for Medicare prescription drug costs.” This chapter implements procedures for the department of human services, the state Medicaid agency in Iowa, to carry out these duties.

**441—91.1(249A) Definitions.** As used in this chapter:

“*Applicant*” means a person applying for a Medicare drug subsidy through the department and includes a responsible person or authorized representative acting for an applicant, except for the purposes of subrule 91.2(2).

“*Application*” or “*Medicare drug subsidy application*” means the federal Social Security Administration’s Form SSA-1020B-OCR-SM, Application for Help with Medicare Prescription Drug Plan Costs, accompanied by the department’s Form 470-4159, Authorization for Department to Process.

“*Authorized representative*” means a person representing an applicant or recipient as described in 441—paragraph 76.1(7)“*b.*”

“*Department*” means the Iowa department of human services and includes any local office of the department.

“*Local office*” means a department office as described in 441—subrule 1.4(2).

“*Recipient*” means a person receiving a Medicare drug subsidy based on an application filed with the department and includes a responsible person or authorized representative acting for a recipient, except for the purposes of subrule 91.2(2).

“*Responsible person*” means a person acting on an applicant’s or recipient’s behalf as described at 441—paragraph 76.1(7)“*a.*”

**441—91.2(249A) Application.** Any person may apply for the Medicare drug subsidy through the department.

**91.2(1) Date, method, and place of filing.** An application is considered filed on the date an identifiable signed application is received and date-stamped in any local office.

*a.* When an application is delivered to a closed local office, the application will be considered received on the first day that is not a weekend or state holiday following the day that the office was last open.

*b.* A copy of an application received by fax shall be given the same effect as the original application.

**91.2(2) Identifiable application and signature.**

*a.* An identifiable application is an application that contains:

(1) The legible name and address of the applicant; and

(2) The signature of the applicant, a responsible person, or an authorized representative on both Form SSA-1020B-OCR-SM, Application for Help with Medicare Prescription Drug Plan Costs, and Form 470-4159, Authorization for Department to Process.

*b.* If an authorized representative signed the application forms on behalf of an applicant, the applicant or a responsible person must also sign the application forms before the application can be approved.

**91.2(3) Right to withdraw.** After an application has been filed, the applicant may withdraw the application at any time before the eligibility determination.

*a.* The applicant may request that the application be withdrawn entirely or may, before the date the application is processed, request withdrawal for any month covered by the application.

b. The local office shall send a Notice of Decision, Form 470-0485, 470-0486, 470-0486(S), or 470-0490, to the applicant confirming the request to withdraw the application.

**441—91.3(249A) Eligibility determination.** The department shall determine eligibility for the Medicare drug subsidy pursuant to Section 1860D-14 of the Social Security Act and implementing federal regulations at 20 CFR Part 418. The department shall base decisions with respect to initial and ongoing eligibility primarily on information furnished by the applicant or recipient.

**91.3(1) Cooperation.** An applicant must cooperate with the department in the application process. Cooperation may include providing additional information or verification of information, participating in an interview, or signing documents. Failure to cooperate in the application process shall be a basis for denial of an application.

**91.3(2) Additional information and verification.** The department shall notify the applicant or recipient in writing of any additional information or verification that is required to maintain or establish eligibility. This notice shall be delivered to the applicant or recipient by personal delivery, mail, or facsimile transmission.

a. The applicant or recipient shall have five working days to supply the information or verification requested by the department. The local office may extend the deadline for a reasonable period when the applicant or recipient is making every effort to secure the required information or verification from a third party but has been unable to do so.

b. Failure of the applicant or recipient to supply the information or verification, or refusal by the applicant or recipient to authorize the department to secure the information or verification from other sources, shall serve as a basis for denial of an application or cancellation or reduction of the Medicare drug subsidy.

**91.3(3) Interviews.** At the discretion of the local office, an interview with the applicant or recipient may be required when processing the initial application or at the time of any review of eligibility.

a. The department shall notify the applicant or recipient in writing of the date, time, and method of any required interview. This notice shall be delivered to the applicant or recipient by personal delivery, mail, or facsimile transmission. Interviews may be rescheduled at the request of the applicant or recipient without written notice.

b. Failure of the applicant or recipient to participate in a scheduled interview shall serve as a basis for denial of an application or cancellation or reduction of the Medicare drug subsidy.

**441—91.4(249A) Notice of decision.** The department shall notify the applicant or recipient in writing of any decision regarding the applicant's or recipient's subsidy eligibility or level of subsidy.

**91.4(1)** The department shall issue a written notice of decision to an applicant by the next working day following a determination of subsidy eligibility and level of subsidy.

**91.4(2)** The department shall give a recipient timely and adequate written notice as provided in 441—subrule 7.7(1) when any decision or action is taken that adversely affects subsidy eligibility or the level of subsidy.

**91.4(3)** In the circumstances described in 441—subrule 7.7(2), the department may dispense with timely notice but shall send adequate notice no later than the effective date of action.

**441—91.5(249A) Effective date.** A Medicare prescription drug subsidy shall be effective beginning with the first day of the month of application or the first day of the first month in which all eligibility requirements are met, whichever is later, but no earlier than January 1, 2006.

**441—91.6(249A) Changes in circumstances.**

**91.6(1) Responsibility to report changes.** A Medicare drug subsidy applicant or recipient shall timely report to the department any changes in the following circumstances:

- a. Care of dependents.
- b. Household composition.
- c. Household income.

- d. Household resources.
- e. Marital status.
- f. Medicare eligibility or enrollment.
- g. Place of residence.

**91.6(2) *Timely report.*** A report shall be considered timely when received in the local office within ten days from the date the change is known to a recipient and within five days from the date the change is known to an applicant.

**91.6(3) *Effective date of change.*** Changes in eligibility or level of subsidy shall be effective the month following the month in which the change is reported.

**441—91.7(249A) Reinvestigation.** The department shall reinvestigate eligibility as often as the recipient's circumstances indicate, but in no instance shall the period between reinvestigations exceed 12 months.

**91.7(1) *Application requested.*** When requested to do so by the department, the recipient shall complete the Medicare drug subsidy application as part of the reinvestigation process. The application shall be completed within five working days from the date a written request is issued. Failure to complete the application shall be a basis for cancellation or reduction of the subsidy.

**91.7(2) *Additional information requested.*** The recipient shall supply additional information needed to establish eligibility or level of subsidy within five working days from the date a written request is issued.

*a.* The recipient shall give written permission for the release of information when the recipient is unable to furnish information needed to establish eligibility.

*b.* Failure to supply requested information or authorize the department to secure the information from other sources shall be a basis for cancellation or reduction of the subsidy.

**441—91.8(249A) Appeals.** An applicant or recipient shall have the right to appeal any adverse action by the department regarding the Medicare drug subsidy, pursuant to 441—Chapter 7.

These rules are intended to implement Iowa Code sections 217.6 and 249A.4 and Section 1935(a) of the Social Security Act (42 U.S.C. § 1396u-5).

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