

**Statement of Beatrice Disman
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**Testimony before the Senate Finance Committee
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Mr. Chairman and Members of the Committee:

On behalf of Commissioner Astrue, I thank you for inviting me to provide an update on the Social Security Administration's (SSA's) ongoing efforts to sign-up eligible Medicare beneficiaries for the low-income subsidy (LIS) - or "extra help" as it is commonly called, under the Medicare Prescription Drug Program. I am Bea Disman, and I have served for over a decade as Regional Commissioner of the New York Region. I have also spent the past 3 years as Chair of SSA's Medicare Planning and Implementation Task Force. In this role I have seen the truly tireless and dedicated efforts of so many SSA employees, as they have reached out to those individuals who could benefit from "extra help." I am pleased to provide you with an update of our story.

SSA has continued its intensive efforts to locate low-income Medicare beneficiaries, and provide them with an opportunity to apply for "extra help" assistance. We have used targeted mailings, phone calls, computer data matches, community forums, partnerships with State agencies and non-profit organizations, public information fact sheets, word-of-mouth – in short, any and all means at our disposal – to reach those eligible to receive assistance with out-of-pocket costs associated with Medicare prescription drug coverage. Today's testimony looks back at some of those efforts, but more importantly, it looks at how SSA's outreach initiatives are moving forward.

Background

To begin, it may be helpful to recap Social Security's role and responsibilities regarding the new Medicare Prescription Drug Program. This provides the context to further describe SSA's activities in getting low-income people the "extra help" intended by Congress.

SSA was given the responsibility by Congress to take "extra help" applications and to make eligibility determinations for individuals who were not automatically eligible, by virtue of their receipt of full Medicare and Medicaid, Supplemental Security Income (SSI), or Medicare Savings Programs (MSPs). In order to be eligible for "extra help," individuals must have incomes below 150 percent of the poverty level applicable to their corresponding household size. In 2007 this is \$15,315 for an individual and \$20,535 for a couple. Individuals with incomes between 135 percent and 150 percent of poverty are eligible for a subsidy amount based on a sliding scale. The income limits adjust annually, based on the Federal Poverty Level (FPL).

Individuals must also meet a resource test. The resource level is \$11,710 for single individuals or \$23,410 for couples. (These figures includes the \$1,500 credit given to individuals who will use their resources for funeral or burial expenses.) Those who have countable resources of less \$6,120 for an individual and \$9,190 for couples, receive the most cost-sharing assistance. The resource limits adjust annually based on the Consumer Price Index, or CPI.

SSA was given these responsibilities because of its network of nearly 1,300 offices across the country, and because of its already existing role in administering some parts of the Medicare program. Over the past 70 years, SSA has gained a reputation for helping people in the communities where they live, and Congress realized that SSA's presence "on the ground" would be vital in the launch of the Medicare "extra help" program. Also, the low-income subsidy was designed with many similarities to SSI, a means-tested assistance program for low-income aged, blind and disabled individuals, which SSA has administered for more than 30 years.

Application Process Improvements

As you know, extensive research and review went into the creation of SSA's application for "extra help." Focus groups and cognitive testing experts, automation experts, advocate organizations, form design professionals, and Congressional staffs all contributed to this undertaking. The resulting application was the most extensively tested form SSA has ever produced. But you should also know that our efforts to improve the application – to provide an easy way for beneficiaries to apply for "extra help" – are continuing.

For example, we have added fields to the application that allow the applicant to enter the amount of his or her Social Security benefit. Of course SSA already knows this information, and the original application instructions stated that the applicant did not need to supply Social Security benefit amounts. But our analysis of applications received showed that applicants were trying to enter the information anyway, and this was frequently leading to inaccurate entries and inaccurate eligibility determinations. In addition, we revised the application to request the applicant's date of birth, so that we can identify him or her if they entered the wrong Social Security number. In another example, we simplified the question about filing as a couple and changed the resource amounts to reflect the 2007 resource limits.

In response to advocates and Congressional concerns, SSA is currently reviewing the paragraph at the end of the "extra help" application (sometimes referred to as the "penalty clause"). Our review has been prompted in response to concerns some have raised that such language might inhibit individuals from filing.

Another interesting note is the way Medicare beneficiaries are currently filing for "extra help." Since the beginning of Fiscal Year 2007, about 22 percent of new applications are Internet filings. This means that, as a percentage of applications received, the online "extra help" application has even exceeded the success of SSA's online Application for Retirement benefits. The online application has been a real success story, receiving one of the highest scores ever given to a public or private sector organization by the American Customer Satisfaction Index.

Outreach Efforts

I would now like to summarize the efforts SSA has undertaken to inform beneficiaries about the “extra help” available for costs with prescription drugs. Efforts to educate the public about the new, “extra help” program began almost immediately after passage of MMA, and this outreach continues today. As I mentioned earlier, SSA has worked with CMS and other Federal agencies, community based organizations, advocacy groups, and State entities in order to spread the word about the available “extra help.”

We have been in the communities – in senior citizen centers, pharmacies, public housing, churches – any place in which we thought senior citizens or the disabled were likely to be found. We also continue to work with States that have their own pharmaceutical programs, State Health Insurance Programs, Area Agencies on Aging, local housing authorities, community health clinics, prescription drug plans, and others to identify people with limited income and resources who may be eligible for the “extra help.”

Throughout these efforts, SSA’s goal has been to reach every potentially eligible Medicare beneficiary multiple times, in a variety of ways: for example, by targeted mailings and events, and follow-up phone calls. And while we are confident we have taken appropriate steps to reach out to those who may be eligible for the “extra help,” our outreach efforts are continuing. Because there is no enrollment period for the “extra help,” a Medicare beneficiary can apply at any time. This means there is no inappropriate time to reach out to our lower-income beneficiaries, and there is no wrong time for these individuals to complete an application.

As you know, many estimates have been made as to the size of the eligible population. But whether there are 300 or 3 million people, SSA’s job is the same – find them. Find them where they live, find them in the communities where they work, find them in any way we can. Our message is simple: if you could possibly benefit from this program, SSA will help you apply.

SSA's Initial Outreach Efforts

To further explain how this outreach philosophy has translated into action, I would now like to describe some of the specific routes SSA has taken to reach our lower-income Medicare beneficiaries.

During the initial start-up phase of the new Medicare prescription drug program, SSA mailed almost 19 million applications to Medicare beneficiaries who, based on systems data available to SSA, appeared to have incomes below 150 percent of the FPL. Our goal was to have as many potentially eligible lower-income Medicare beneficiaries as possible file for the "extra help" before the Medicare prescription drug program started in January 2006.

SSA used a number of strategies to follow-up with those individuals who did not return the applications sent in the initial mailing.

- Through a vendor contract, we called 9.1 million people and mailed 5 million follow-up notices. SSA representatives provided one-on-one assistance to nearly 400,000 beneficiaries.
- Through a separate analysis, we identified approximately 1.5 million disability beneficiaries who received an "extra help" application mailer, but did not file an application. We mailed a special follow-up notice to all of these beneficiaries, assuring them that filing for "extra help" would have no adverse effect on their disability benefits.
- We personally called over 300,000 beneficiaries who did not respond to an "extra help" application mailer, but had previously applied for and received the Medicare \$600 drug discount card credit during 2004 or 2005.
- We coordinated targeted advertising efforts with national organizations, such as AARP, and targeted outreach events with state organizations such as the Elderly Pharmaceutical Insurance Coverage program in New York.

Ongoing Outreach

SSA continues to use our standard Agency mailings to inform the public. For example, the cost of living adjustment notice sent in November 2006 to over 50 million Social Security beneficiaries, contained information about the new drug program and the availability of “extra help.”

In additional efforts to reach specific communities, SSA has undertaken targeted mailings to beneficiaries with representative payees, beneficiaries who speak Spanish, Asian-American and African-American households, and beneficiaries age 79 and older who lived in zip codes with a high percentage of low income households. During the period of June through August, 2006, 2.5 million “extra help” applications were mailed to these individuals.

SSA has also made a special effort to reach and re-sign those “extra help” recipients who have lost “deemed” or automatically eligible status. As I previously described, some individuals received the subsidy automatically, by virtue of Medicaid, SSI or MSP eligibility. In some cases, however, these individuals lost eligibility to these other programs, and thus their deemed status, as of January 2007. Working with CMS, in September 2006, SSA mailed more than 600,000 applications with CMS notices to Medicare beneficiaries who would no longer be automatically eligible for “extra help.” To date, more than 247,000 have reapplied and 168,000 are now eligible. This is in addition to a number of individuals who have regained automatic eligibility through reentitlement to certain State programs. Social Security is also personally calling 188,000 of these individuals who, according to our records, potentially have incomes below the Federal Poverty Level.

In addition to the many specific outreach activities SSA has performed in the past year, the agency also provides educational outreach to Medicare attainers – those current Social Security beneficiaries who turn 65 or reach the 25th month of their disability. If our records indicate an attainer may potentially be eligible for “extra help,” SSA sends an application. This means between 120,000 – 130,000 beneficiaries receive “extra help” applications every month. Similarly, many individuals call our 800 number or visit our field

offices to conduct traditional Social Security business. We educate these individuals about the “extra help,” and we will take the application if it is appropriate.

Reaching Caregivers: A New Strategy

I am also pleased to talk about a new strategy in our continuing efforts to inform the public about the “extra help” program. This outreach initiative, themed “*Show Someone You Love How Much You Care*”, is designed to inform relatives and caregivers – the sons, daughters, grandchildren and family friends – who count a Medicare beneficiary among the important people in their lives. By reaching these care providers, SSA hopes to reach even more individuals who could be assisted through the “extra help” program. Within the past two weeks, the Commissioner met with the advocacy organizations that SSA has engaged as partners over these last three years, to ask their assistance in the new strategy.

We are launching the strategy this week - around Mother’s Day. On Mother’s Day, we celebrate some of the most special people in our lives. This year, we are asking that people show someone they love how much they care, by learning more about the “extra help” that is available with Medicare prescription drug costs. We are also asking them to take a further step – help these loved ones to apply.

In the week immediately preceding Mother’s Day, SSA employees across the country are visiting their local community centers, grocery stores, restaurants, and places of worship, to make information about the “extra help” available on or around the Mother’s Day weekend. SSA is also publishing related articles in the local media. The outreach effort includes distribution of special pamphlets explaining “extra help,” entitled “This Mother’s Day, Show Someone You Love How Much You Care.” The campaign will continue throughout this year. There will be a second series of targeted events scheduled for Father’s Day.

You should have received copies of these pamphlets within the past several days, along with an announcement letter explaining the outreach. We are excited about this new initiative, and its prospects of assisting low-income Medicare beneficiaries.

Current Status of Beneficiaries Filing for “Extra Help”

From the beginning of the fiscal year (October 2006) through mid-April, almost 850,000 beneficiaries have filed for “extra help” with SSA. About 200,000 of these filings were unnecessary, because either the applicants were automatically eligible or because they had filed more than one application. Based on these filings we have found about 350,000 individuals eligible for assistance.

Generally, SSA continues to receive 30,000 applications for “extra help” every week. This continued level of interest from beneficiaries tells us our outreach campaign is working.

While SSA has no direct role in assisting individuals in either selecting or enrolling in PDPs, we have also provided instructions to the field offices on how to make sure those with the new Medicare prescription drug coverage questions are directed to the resources they need. In some cases this means our employees will simply refer the questioner to 1-800-MEDICARE, or to the beneficiary’s PDP provider, but in other cases it means making a personal call to state coordinators, reprinting and faxing award notices, and even making emergency calls to CMS Regional Offices.

SSA employees across the country are continuing to communicate information about this valuable benefit. Our job is not completed, and we continue to look for more ways to reach those eligible for the “extra help” program.

Conclusion

In conclusion, I want to express to this Committee my personal thanks for your continuing support for the Agency. I can tell you from my own experience that the dedicated employees of SSA will continue to do our very best, not only in administering the “extra help” program, but also in providing our very important traditional services to the American public.

We look forward to our continued dialogue with organizations, advocacy groups, and of course, this Committee.

Thank you and I will be glad to answer any questions you may have.