

# NEWSLETTER

VOLUME 1, ISSUE 1

## MARCH 2009

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## AHCCCS FY 2009 Budget Reduction

### Elimination of Part D Co-Payments

The Medicare Modernization Act of 2003 created a prescription drug benefit called Medicare Part D for individuals on Medicaid who are eligible for Medicare Part A and/or enrolled in Medicare Part B. As part of this benefit, dual members are required to pay copayments for prescription drugs. As of January 1, 2006, AHCCCS no longer reimbursed for prescription drugs covered under Part D for dual eligible members, and during the 2006 Legislative Session, the Arizona Legislature authorized AHCCCS to pay for these copayments on behalf of dual eligible members with State-only dollars. The State's Part D co-payment was a state-only benefit, not a Medicaid benefit.

As of February 28, 2009, the Medicare Part D co-payments for AHCCCS Dual Eligible Members will be discontinued. There is insufficient funding to continue this state-only program. Members have received notice of the termination of this benefit. It is expected that about 93,000 members who are dually eligible for Medicare and Medicaid will be impacted.

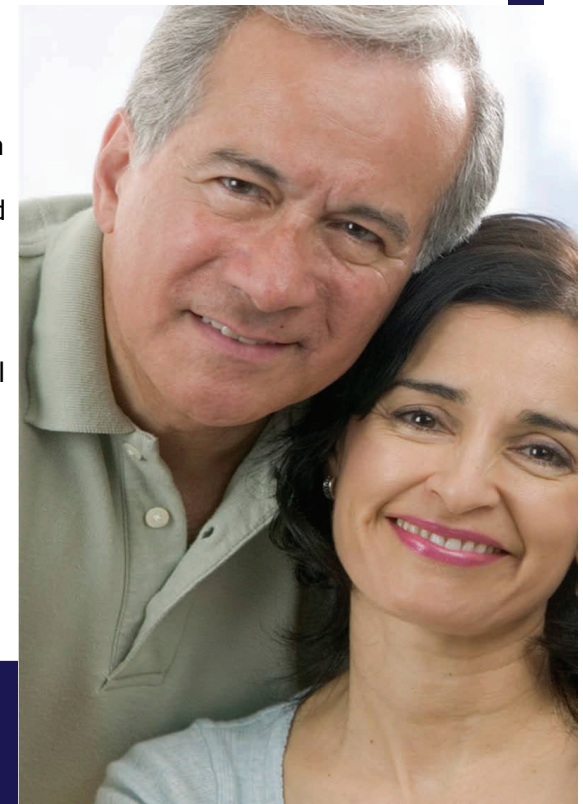
The pharmacy may require payment of Medicare Part D co-payments prior to a member receiving prescriptions that are covered under the Medicare Part D benefit.

The co-payments for prescription coverage for dual eligible members are federal requirements. The State attempted to address this federal issue by creating a state program covering the

co-payment for dual-eligibles.

In light of the significant budget shortfall at the State level, the State can no longer carry this burden. Please note, the elimination of the Part D co-payments does not affect the Extra Help people may receive for their prescription costs.

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A Long Term Care Planning Firm

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Those who qualify for Medicare's "Extra Help" will continue to receive help from Medicare paying for their Part D premiums, deductibles and co-payments. (AHCCCS members and people who receive help with Medicare costs under QMB, SLMB or QI-1 automatically qualify for Extra Help.) The amount of help varies due to a number of factors. Members should contact 1-800 MEDICARE (1-800-633-4227) for more information about Extra Help and their Medicare Part D costs.

AHCCCS members will continue:

- ⇒ To receive a subsidy towards the cost of their Part D premium,
- ⇒ Will not have to pay a deductible, and
- ⇒ Will not be affected by the Catastrophic Coverage gap.

Medicare will continue to pay up to \$16.22 toward the cost of the Part D premium and will also continue to pay for prescription costs above the \$1.10 to \$6.00 Part D co-payments.

AHCCCS will also continue to pay the Medicare Part A premium for certain individuals and the Medicare Part B premium for people approved for certain AHCCCS programs.

**The following changes were made as part of the FY 2009 budget bill passed in the 2008 regular session.**

The SSDI-Temporary Medical Coverage has been suspended. As a result, about 250 people were taken out of the program.

The adult dental benefit for ALTCS has been suspended.

Source: <http://www.ahcccs.state.az.us/Services/ProgramChangesFY09Budget/Default.asp#elimination>

# Medicare Cost-Sharing Program

## Income limits increase effective 04/01/09

The Qualified Medicare Beneficiary or QMB program pays for Medicare Part A and B premiums, co-insurance (that is the 20% that Medicare doesn't pay of the Medicare assignment amount), and the annual Medicare deductibles. The April 1, 2009, monthly income limit for the program is \$903.00 per month. For a single individual and \$1215.00 for a married couple. Those that have Medicare only and apply and qualify for QMB can continue to use any doctor or hospital they choose - they do not have to switch to AHCCCS/Medicaid approved doctors. However, for those who want to have full medical benefits and want to enroll with an AHCCCS/Medicaid health plan can enroll if they have income within the same limits as the QMB program.

The second and third MCS programs have higher income limits but less overall benefits. These two programs pay for the monthly Medicare Part B premium only. These programs are called SLMB and QI-1. The SLMB monthly income limit range is \$903.01 to \$1083.00 for a single individual and \$1215.01 to \$1457.00 for a married couple. The QI-1 monthly income limit range is \$1083.01 to \$1219.00 for a single individual and \$1457.01 to \$1640.00 for a married couple.

Please note that there is a \$20.00 deduction from your total gross monthly income to determine if you qualify so if your gross monthly income (that's the amount you get before anything is deducted from your income) is just up to \$20.00 over the limits stated, you still may qualify for one of these benefits. Also, any interest or dividends received from investments or savings DO NOT count against the total gross monthly income limits stated AND there are no asset or resource guidelines that must be met to qualify for these benefits.



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## INCOME-ONLY TRUST COST COMPARISON SHEET

FIRM	FEE	WHAT IS INCLUDED	HOW SOON CAN I GET IN FOR AN APPOINTMENT?
<b>Montgomery &amp; Associates, Inc.</b>	<b>\$750.00</b>	Consultation & explanation appointment with ALTCS-experienced consultant, preparation of trust documents, signing with our notary, and set-up of income-only trust checking account (if you want us to do that for you)	We guarantee that if you need the trust this week we will fit you into our schedule. If you've already spent the current month's income, we will schedule the appointment for the week in which the next month's income is received.
A law firm in Mesa, AZ	\$1000.00	Consultation with social worker, preparation of trust, set-up of account with bank	Within two weeks
A law firm in Phoenix, AZ	\$850.00	Preparation of trust only	Within one week
A law firm in Sun City, AZ	\$1000.00	Creation and preparation of trust only	Within two weeks
A law firm in Phoenix, AZ	Does not give out fee quote unless you agree to an hourly consultation		Within one week
A law firm outside the Phoenix metro area	\$455.00	Creation and preparation of trust, instructions on how to set up trust	Within two weeks

**Montgomery & Associates, Inc.**

**“We're not the first ones,  
we're not the only ones,  
but we are the best one.”**

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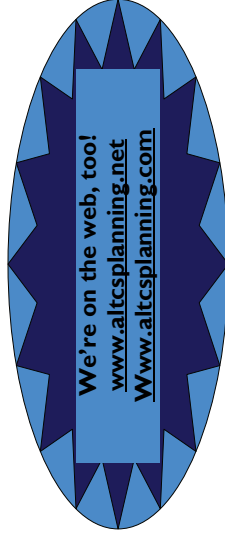
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Let our umbrella of guidance shelter  
you from the long term care cost storm!



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Montgomery & Associates, Inc. has been providing quality long term care planning services in the State of Arizona since 2001. Our planning focuses on Arizona's Medicaid Program, AHCCCS, its acute care, Medicare Cost-Sharing & ALTCS programs, the Veterans Administration programs that help pay for long term care, preparation of certain types of legal documents, mortgage debt reduction planning, and financial planning. We want you to know that you can count on us to be a valuable resource for these services.

**Welcome to Spring!!!**

Please deliver to:

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