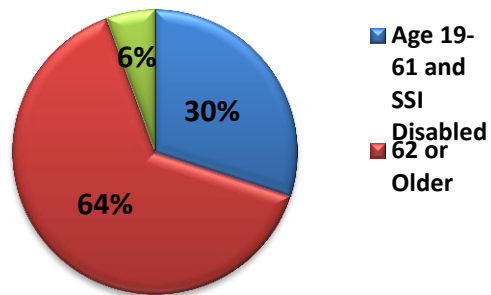


# DHHS FY 16/17 Budget Initiative: Drugs for the Elderly (DEL)

## Drugs for the Elderly (DEL)

This program covers Medicare Part D premiums, co-payments, out-of-pocket costs, known as the “donut hole,” and the cost of excluded Drugs for Elderly and Disabled whose income is no more than 175% of the federal poverty level. A person must be 62 or older, or age 19 or older and meet the disability criteria for SSI (Supplemental Security Income). If a person spends more than 40% of his or her income on prescription drugs and medications, the income level is increased by 25%.

- There currently is no asset limit.
- Does not pay for Part B premiums.
- Does not pay for medical co-pays and deductibles.



### Prior Years Program Spending:

- SFY 2014: \$10,349,072
- SFY 2013: \$19,323,266

**Maine is one of only two states to exceed federal eligibility minimums for the Medicare Savings Program (MSP). DEL benefits are a compliment to MSP benefits, and this initiative would maintain their alignment.** Nonprofit advocacy groups, pharmacies, pharmaceutical companies, and others may continue to assist seniors in finding no- or low-cost drugs or drug plans.

## Initiative

This initiative achieves cost savings by aligning eligibility in DEL with proposed FPL reductions to the MSP program, reducing eligibility from 175% FPL to 135% FPL. The initiative also creates a DEL asset test that aligns with the MSP program (\$50,000 per individuals and \$75,000 per couple).

### Savings:

Year	Savings
SFY 16	(\$2,360,277)
SFY 17	(\$2,832,333)

## Impact

- Medicare part D premiums, Medicare coinsurance, deductibles or co-pays and excluded drugs will no longer be covered for members.
- There are 1,771 DEL-only members and 14,486 MSP members who will be impacted by this FPL change. This equates to an average of \$120 per member per year that members will be required to pay out-of-pocket.
- Approximately 6,500 members who lose MSP/DEL coverage will still be eligible for the Low Income Subsidy (LIS) provided by the Social Security Administration. The LIS provides financial assistance with the monthly Part D premium and helps reduce out of pocket costs for prescription drugs.
- Approximately 800 individuals will lose DEL because of excess assets.