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The Power of Partnerships: Lessons from Outreach for the Part D Low-Income Subsidy Program

KEY POINTS:

- The Medicare Part D Extra Help/Low-Income Subsidy (LIS) program provides reduced- or no-cost prescription drug coverage for eligible Medicare beneficiaries.
- Many Medicare beneficiaries who are eligible for LIS still need to be identified and enrolled.
- Partnership between entities with different expertise and approaches – such as a health plan and an advocacy organization – can increase enrollment in targeted programs, providing significant value to low-income beneficiaries.

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Why Policymakers Need to Know about LIS Program Outreach

The overarching goal of Medicare Part D – to expand access to prescription drugs among the Medicare population – can only be met if the most vulnerable beneficiaries can be reached and enrolled. The Extra Help/Low-Income Subsidy (LIS) program was created to help accomplish this goal, and its effective implementation should be a priority. In pursuing increased LIS enrollment, attention should be paid to the following factors:

- The LIS benefit is critical to maintaining and improving the health of beneficiaries with limited incomes and assets who need prescription medications.
- Reaching and enrolling these beneficiaries is challenging and requires creative approaches.
- Government agencies, community advocacy organizations, health plans, and health care providers must all play roles in connecting eligible beneficiaries to these benefits. Partnerships can be a highly effective method for organizing and conducting outreach.
- People who qualify for the LIS may also be eligible for other public programs, and the organizations above can serve as connectors to help beneficiaries understand their eligibility and apply for benefits. LIS outreach may be more cost-effective when paired with screening for and assistance with other benefits.
- Breaking down barriers and streamlining processes for assessing eligibility and applying for these programs has real financial and health-related value for beneficiaries and can also be cost-effective for organizations investing in the process.

Background

The LIS Program: When Medicare Part D took effect in January 2006, 43 million Medicare beneficiaries had the option to purchase federally subsidized prescription drug coverage for the first time. One-third of these beneficiaries were estimated to qualify for financial assistance, provided through the Extra Help/Low-Income Subsidy (LIS).[1] In 2007, beneficiaries are generally eligible for LIS if they are single with incomes less than $15,315 a year and assets less than $11,710, or married with incomes less than $20,535 a year and assets less than $23,410.[2] With some variation, those eligible for LIS are entitled to:

— no or reduced drug plan premiums,
— no or low annual drug plan deductibles,
— no or low cost-sharing for drugs, and
— no or low cost for catastrophic drug coverage.[3]

The Challenge: The LIS program has great potential to help Medicare beneficiaries most in need, but many who qualify for it are unaware of its existence or otherwise fail to enroll. In 2006, about 8 million eligible beneficiaries were automatically signed up (or "deemed") based on their enrollment in Medicaid, a Medicare Savings Program, or Supplemental Security Income, or did not receive the benefit based on having other creditable coverage (such as Veterans Administration benefits). That same year, about 1.7 million of those eligible to apply voluntarily did so.[4] While this represents a decent initial sign-up rate, 3.4 to 4.4 million beneficiaries remain eligible but not enrolled.[5]

Why? Barriers to enrollment may include lack of awareness and understanding of the benefit and application process – a recent national survey found that only half of those thought to be eligible for but not receiving LIS benefits were aware of the program, with much lower awareness rates among African Americans and Hispanics.[6] Other challenges include insufficient knowledge of or access to the required information on income and assets; worse health status and higher likelihood of institutionalization compared with the general Medicare population; and apprehension about signing up for (or admitting to the need for) "extra help."

Difficulty in reaching the target population is certainly not unique to the LIS – for example, the Medicare Savings Programs, which pay some or all of Part A and B premiums and deductibles for low-income beneficiaries, have succeeded in enrolling just one-third to half of eligible beneficiaries.[7,8] This difficulty underscores the need for creative approaches and strategies for outreach, education, and enrollment assistance for critical public programs.

Lessons from an Outreach Partnership

As the nation's largest non-profit health plan and integrated delivery system, Kaiser Permanente (KP) saw the opportunity to make a big impact on the lives of its Medicare members by helping connect eligible beneficiaries to the Low-Income Subsidy. To do so, KP partnered with the National Council on Aging (NCOA), a national nonprofit advocacy and education organization focused on improving the lives of older Americans. The overall objective of this joint effort was to identify KP members who qualified for the LIS, help them apply, and identify other public programs for which they were likely to be eligible. In doing so, KP members benefited, and KP created an infrastructure to respond to future LIS initiatives.

Outreach Methods and Results: LIS outreach is challenging for health plans (as it is for community groups) because they do not have access to financial data on their Medicare recipients to determine eligibility. Less refined methods for identifying and targeting potentially eligible beneficiaries are required. To reach those members most likely to be eligible, KP first used a predictive modeling tool created by Benefits Data Trust, based in part on estimates of age, income, gender, marital status, assets, and home value. The model identified a core set of 80,000 potentially eligible members who were not already known to be in a "deemed" category. They were targeted for the initial LIS outreach campaign in 2006.

Examples of Outreach Approaches

- The Centers for Medicare & Medicaid Services (CMS) has created an "Extra Help/LIS Outreach Toolkit" to assist state and local governments and non-governmental partners in outreach and enrollment. The 2007 toolkit contains geographically-based estimates of under-enrollment and information about the benefit and its enrollment process.
- LIS outreach by Maine's Legal Services for the Elderly (LSE), working in partnership with others, has focused on consistently addressing the question, "How will I pay for my prescription drugs?" through informational flyers and a statewide toll-free telephone number. In addition, LSE aired commercial TV spots on Part D and the LIS. Over 5,500 Maine Medicare members applied for and/or enrolled in the LIS in 2006, out of an estimated 18,000 eligible beneficiaries.[9]
- The LIS outreach efforts of the Greater Cleveland Access to Benefits Coalition have included: establishing a community call center to help beneficiaries access information and apply for benefits; holding community presentations with on-site enrollment; training member agencies on the LIS benefit; hosting telethons on a major Cleveland TV channel; and delivering educational outreach messages to 54,000 Cleveland seniors via newsletters and an automated calling system. These efforts helped enroll about 4,000 people in LIS.[10]

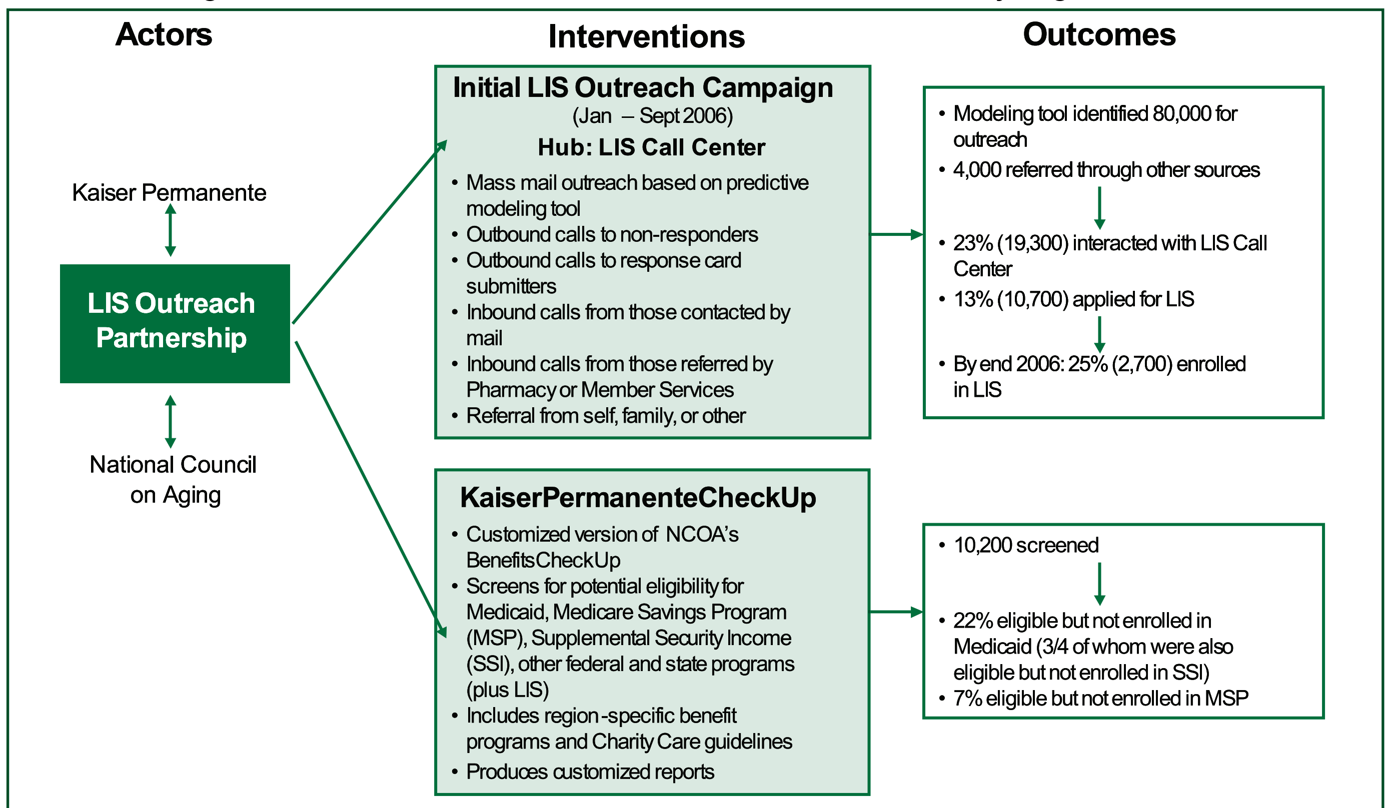
The hub of information for this campaign was the KP LIS Call Center, a specialized center set up to help determine eligibility and to facilitate the application process. The techniques used to connect members to the LIS Call Center (primarily mass mailings and targeted phone calls) and the outcomes of those interventions are depicted in *Figure 1*. While the initial "conversion rate" of applicants who were successfully enrolled was 25 percent, KP and NCOA anticipate that this will increase to 35 percent as lag-time for enrollment shortens.

In a subsequent initiative, KP used a customized version of NCOA's BenefitsCheckUp tool called KaiserPermanenteCheckUp to screen more than 10,200 of those members who had been assisted in applying for the LIS to determine if they qualified for other programs. These members received a customized report with information on programs for which they appeared to be eligible, as well as local agency contact information for further assistance. Details on the programs and the findings from these screenings are summarized in *Figure 1*. In addition to helping members access benefits to which they were entitled but may not have known they were eligible, the tool also gave KP the ongoing ability to determine eligibility for the LIS and other benefits beyond the initial outreach campaign.

In addition to reaching out to its own Medicare members, KP provided financial grants to six nonprofit agencies in five regions to support LIS enrollment among community members outside KP. These grants, combined with other community funds, helped these agencies host 190 training or enrollment events; develop an LIS training program for pharmacy interns; send an educational "Care-Van" to low-income neighborhoods and shopping areas; create a 24-page newspaper with Part D and LIS resource information; gather data from other low-income assistance programs; and establish a Part D and LIS Helpline.

Financial Impact: A conservative analysis of the financial impact of such efforts by health plans found it to be a win for both members and the plan. The analysis found that, overall, for every dollar invested in the program, members receive an estimated $17.20 worth of benefits over their remaining years in the plan, and the plan receives $4.97 in additional revenue. This is based on helping members gain access to multiple benefits, not just the LIS. Specific to Kaiser Permanente, the financial value of this activity to members in 2007 is projected to be $7.45 million, based on a total program cost of $2 million in 2006.

Figure 1: Kaiser Permanente Outreach to Members Potentially Eligible for LIS



Three Critical Learnings

- *Maximize impact by focusing on multiple programs*—KP found outreach more cost-effective for both the member and the health plan by pairing the LIS effort with screening and assistance for other benefits such as Medicaid, Medicare Savings Programs, and Supplemental Security Income.
- *Streamline contacts where possible*—Operationally, members' use of inbound calls was more efficient – leading to higher application and conversion rates – than use of response cards asking for someone to call them back, as over 30% of response card responders were unable to be reached. In addition, outbound calls were less effective because current CMS rules prohibit requesting personal information on an outbound call, necessitating an inbound call to complete the process. While 32% of those reached on an outbound call expressed interest in the program, more than 50% of those interested failed to call back.
- *Get people information they need when they need it*—"Warm" transfers from the regular KP Member Services call center to the specialized KP LIS Call Center – that is, transferring when a need was recognized and connecting directly to a specialist in LIS application assistance – had the best conversion rate and was most cost-effective.

Implications for Policy

Kaiser Permanente's experience with targeted outreach to increase enrollment in the Low-Income Subsidy can serve as a useful model for other organizations. The multiple modes by which members could connect with information and be evaluated for eligibility – including use of a predictive modeling tool to identify likely candidates, outreach through targeted mailings, and development of a specialized call center – increased the chances of identifying and enrolling the right people. By also screening for additional benefits such as Medicaid, Medicare Savings Programs, and Supplemental Security Income, KP provided a valued service to members, and both members and the plan itself benefited.

Finally, the partnership between KP and NCOA yielded important mutual benefits. Key advantages of the partnership included having a variety of experiences and perspectives at the table when designing the intervention; enabling outreach to vulnerable populations through the network of the advocacy organization; spreading the impact of this work beyond the health plan itself to the general population; and helping to bolster the credibility of both organizations as leaders in this work.

In Focus is a series of briefs designed to bring key research findings on important health policy issues to the attention of health policymakers. This issue of In Focus is by Kate Meyers, MPP of Kaiser Permanente's Institute for Heath Policy, Maureen Hanrahan, BSN, MA of Kaiser Permanente Community Benefit, and Jay Greenberg, ScD of the National Council on Aging. For more information on this and related issues, please visit the IHP website at *www.kpihp.org*.

Resources

National Council on Aging (NCOA)
http://www.ncoa.org/

BenefitsCheckUp
http://benefitscheckup.org/

Access to Benefits Coalition
http://www.accesstobenefits.org/

Centers for Medicare and Medicaid Services
http://www.cms.gov/

Benefits Data Trust
http://www.bdtrust.org/

[1] National Health Policy Forum. Implementing the Medicare Prescription Drug Benefit: Continuing Challenges for States (Meeting Report). September 2005. Available at *http://www.nhpf.org/pdfs_other/MMAMtgRpt(07-12-05).pdf* (accessed March 20, 2007).
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[3] Center for Medicare Advocacy, Inc. Medicare Part D Low-Income Subsidies. *http://www.medicareadvocacy.org/FAQ_PartD_Info.htm#LIS* (accessed March 25, 2007).
[4] Kaiser Family Foundation. Fact Sheet: Low-Income Assistance Under the Medicare Drug Benefit. May 2006. Available at *http://www.kff.org/medicare/upload/7327.pdf* (accessed August 30, 2007).
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[6] Neuman P, Strollo MK, Guterman S, Rogers WH, Li A, Rodday AM, Safran DG. Medicare Prescription Drug Benefit Progress Report: Findings from a 2006 National Survey of Seniors. Health Affairs. E-pub August 21, 2007; 26(5): w630-w643.
[7] Federman AD, Vladeck BC, and Siu AL. Avoidance of Health Care Services Because of Cost: Impact of the Medicare Savings Program. Health Affairs. January/February 2005; 24(1): 263-270.
[8] Eichner J and Vladeck BC. Medicare as a Catalyst for Reducing Health Disparities. Health Affairs. March/April 2005; 24(2): 365-375.
[9] Personal communication with Anne Smith, Maine Legal Services for the Elderly, June 26, 2007.
[10] Personal communication with Jane Fumich, Greater Cleveland Access to Benefits Coalition, June 25, 2007.