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## Medicare Applications Sent to Low-Income Americans

By [ROBERT PEAR](#)

**W**ASHINGTON, March 28 - The Bush administration said Monday that it had sent the first of some 20 million applications to low-income people who might qualify for financial assistance with Medicare's new prescription drug benefit.

But lawyers and other advocates for low-income people said the form was so complex that they expected fewer than 5 percent of the people to respond.

The value of the new assistance is substantial. The government will provide a 75 percent subsidy worth about \$1,250 a year for the basic drug benefit, plus an average of almost \$2,300 a year in extra assistance to people with low incomes.

The applications have been sent to Medicare beneficiaries in 42 ZIP codes in 21 states. The list of cities includes Bristol, Conn.; New York; Miami; Chicago; Las Vegas; and Honolulu.

Mark Hinkle, a spokesman for the Social Security Administration, said his agency had mailed out 2,050 applications and would send up to 20 million by late May. The mailings, Mr. Hinkle said, will coincide with a huge nationwide effort to inform people of the new drug benefit and the additional subsidies available to those with low incomes.

Dr. Mark B. McClellan, administrator of the Centers for Medicare and Medicaid Services, said the forms would be widely disseminated, "to reach everyone who may be eligible."

Mr. Hinkle said it was probably too late to change the application forms. But, he said, the government will tailor its publicity to address questions raised by the first group of people who receive applications.

The drug coverage becomes available to all Medicare beneficiaries in January. The Congressional Budget Office and the Bush administration say 14 million people, accounting for about one-third of all beneficiaries, will be eligible for the low-income subsidies, which can reduce or eliminate their premiums, deductibles, co-payments and other costs. The administration predicts that 10.9 million of those eligible will receive the assistance. About 6 million of them - those who are entitled to both Medicare and Medicaid - can automatically get the extra help without completing applications.

Many people eligible for other social welfare programs do not participate, because they do not realize what is available, they doubt the program's value, they are deterred by the application process or they believe that a stigma is attached to the benefit.

James P. Firman, president of the National Council on the Aging and chairman of a coalition of community groups working with Medicare officials, said that some low-income people would be confused or intimidated by parts of the new seven-page application form.

"Historically," Mr. Firman said, "the response rate to mailings like this among low-income people has been 1 percent or 2 percent."

A study last year by the Government Accountability Office found that the response rate was less than 1 percent when officials sent letters to low-income Medicare beneficiaries encouraging them to apply for another form of financial assistance.

Mr. Firman said he believed that community groups, working with the government, could reach many of those eligible for extra help with the drug benefit.

One section of the new form asks people to distinguish between the face value and the cash value of life insurance. "Do you or your spouse (if married and living together) own life insurance policies with a total face value of \$1,500 or more?" the form asks. "If the answer for either you or your spouse is yes, how much money would you get if you turned in your insurance policies for cash right now?"

Another question asks people how much money they receive from friends and relatives to help pay for food, shelter and utilities.

Administration officials said they needed such information to decide whether a person's income and assets were low enough to qualify for extra assistance.

This is "the most comprehensively evaluated form we have ever produced," said Jo Anne B. Barnhart, the commissioner of Social Security.

Dr. McClellan, the Medicare administrator, said he believed that the application was "simpler than that used for any other means-tested program."

Vicki Gottlich, who counsels elderly people as a lawyer at the Center for Medicare Advocacy, said: "The low-income subsidy is very important. Without it, low-income people could not afford the Medicare drug benefit. But if they apply for the subsidy, they'll also need to apply separately for a prescription drug plan starting in November."

In an interview, Dr. McClellan said, "If we know you are eligible for the low-income subsidy, we will make sure that you get to take advantage of the drug benefit."

The application form warns people they can be punished for perjury if they knowingly submit incorrect information. In signing the form, a person declares, "I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison or may face other penalties."