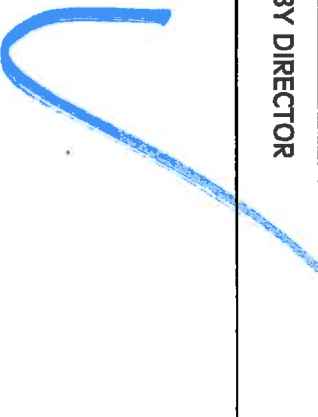


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Bowling	8/22/06

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000166	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE 8/31/06 <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

RECEIVED

AUG 22 2006

August 20. 2006

Dear Mr Hernandez

Department of Health & Human Services
OFFICE OF THE DIRECTOR

I am enclosing copies from you and Social Security regarding my help on my medicine part of which I took out with Humana, #080414601, #Kington Ky 40512 - 460 in the name of Louise Brown member ID #54388322 Plan name Humana Prescription Drug Plan Complete 55884-037 I cannot fill my medicine every month because I have to choose between paying bills, house and car insurance and medicine supplement insurance - water bills - heat bills - air conditioning - dog's bills and food -

my medicine part is almost 78 dollars which comes out \$88 check -

my 88 check afterwards is 1132.30 and my retirement check is 66.60 - at a total 1198.90 to pay every thing plus car gas to get to the doctor and drug store and groceries store - I am handicapped - 76 years old and no help from any one. If you can advise me how to do better I will welcome any advice - my druggist advised me to get Humana and advise March 2006 when I took Humana out my medicine has gone up three times in price -

I am hard of hearing and cannot understand people on the telephone. If you know any help please help me by advising me. Thank you. Katarina Jones M. - Indiana I have taken out a Reverse Mortgage 701 W. Kennedy Avenue on my home with monthly payments under \$200. 29625-2858



State of South Carolina

Department of Health and Human Services

Mark Sanford
Governor

Robert M. Kerr
Director

August 8, 2006

Dear Former SILVERCARD Member:

In November and December of 2005, I mailed information to you regarding South Carolina's Gap Assistance Pharmacy Program for Seniors (GAPS). Many seniors may be helped by GAPS since it provides relief for those faced with costly drug bills. Since you participated with SILVERCARD before the Medicare Part D prescription drug program replaced it, you may be eligible for the GAPS program.

Under the new Medicare prescription drug program that began January 1, 2006, many people who enrolled in a plan such as the one in which you are currently enrolled, will be responsible for 100% of the drug costs during the coverage gap that occurs when prescription expenses are between \$2,250 and \$5,100. South Carolina's GAPS benefit helps seniors with this break in coverage since GAPS pays 95% of the prescription costs during the coverage gap.

If you want to take advantage of the GAPS benefit, you must be enrolled in a Medicare Part D prescription drug plan that participates in GAPS. However, according to our records, you are enrolled in a drug plan that does NOT coordinate with GAPS. It may be helpful for you to know that a special enrollment period has been established that allows you to make a change in your Medicare Part D prescription plan without having to pay a penalty charge on your monthly premium. This means that, without a penalty charge, you may change to a prescription plan that coordinates with the state-sponsored GAPS benefit. If you would like to change from your current GAPS non-participating drug plan to a GAPS-participating plan, then you must enroll in one of the GAPS-participating plans listed on the reverse side of this letter.

You should carefully select a plan that best meets your individual needs. Remember, seniors who enrolled earlier this year in a GAPS non-participating drug plan now have an opportunity to switch without penalty to a plan that does participate with the GAPS program if they choose to do so.

I hope this information is of assistance to you and encourage you to take appropriate action. The reverse side of this letter has a list of the Medicare prescription drug plans that coordinate with the GAPS benefit and toll-free contact telephone numbers for your use. Please call the telephone number indicated on the list if you need further assistance. Should you have questions concerning this letter, you may call the Medicaid Beneficiary Services toll-free telephone number at 1-888-549-0820.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. M. Kerr".

Robert M. Kerr
Director

RMK/lm

FORM 1099-R
OMB No. 1545-0119

PAYER'S Federal Identification number 42-0127290		Source - Product 03070-04100	
PAYER'S name, street address, city, state, and ZIP code PRINCIPAL LIFE INSURANCE CO 711 HIGH STREET DES MOINES IA 50392-9350			
Account number (see instructions) 247443042		RECIPIENT'S identification number 247-44-3042	
RECIPIENT'S name, address, and ZIP code LOUISE M BROWN 701 GLENWOOD AVE ANDERSON SC 29625-2858			
1 Gross distribution \$799.20	2005	2a Taxable amount \$799.20 <input type="checkbox"/> CORRECTED	
2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>			
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
6 Net unrealized appreciation in employer's securities			
7 Distribution code 7 <input type="checkbox"/> SIMPLE <input type="checkbox"/>	8 Other <input type="checkbox"/>	9a Your percentage of total distribution %	
9b Total employee contributions			
10 State income tax withheld	11 State/Payer's state number SC 25130739-4	12 State distribution \$799.20	

Copy C
This information is being furnished to the Internal Revenue Service

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

QUESTION? CALL 1-800-247-7011 **MONDAY THROUGH FRIDAY 7AM - 5PM CST**
Department of the Treasury-Internal Revenue Service - Keep for your records

FORM 1099-R
OMB No. 1545-0119

PAYER'S Federal Identification number 42-0127290			
PAYER'S name, street address, city, state, and ZIP code PRINCIPAL LIFE INSURANCE CO 711 HIGH STREET DES MOINES IA 50392-9350			
Account number (see instructions) 247443042		RECIPIENT'S identification number 247-44-3042	
RECIPIENT'S name, address, and ZIP code LOUISE M BROWN 701 GLENWOOD AVE ANDERSON SC 29625-2858			
1 Gross distribution \$799.20	2005	2a Taxable amount \$799.20 <input type="checkbox"/> CORRECTED	
2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>			
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
6 Net unrealized appreciation in employer's securities			
7 Distribution code 7 <input type="checkbox"/> SIMPLE <input type="checkbox"/>	8 Other <input type="checkbox"/>	9a Your percentage of total distribution %	
9b Total employee contributions			
10 State income tax withheld	11 State/Payer's state number SC 25130739-4	12 State distribution \$799.20	

Copy B
Report this income on your Federal tax return. If this form shows Federal income tax withheld in Box 4, attach this copy to your return.

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Department of the Treasury-Internal Revenue Service

FORM 1099-R
OMB No. 1545-0119

PAYER'S Federal Identification number 42-0127290			
PAYER'S name, street address, city, state, and ZIP code PRINCIPAL LIFE INSURANCE CO 711 HIGH STREET DES MOINES IA 50392-9350			
Account number (see instructions) 247443042		RECIPIENT'S identification number 247-44-3042	
RECIPIENT'S name, address, and ZIP code LOUISE M BROWN 701 GLENWOOD AVE ANDERSON SC 29625-2858			
1 Gross distribution \$799.20	2005	2a Taxable amount \$799.20 <input type="checkbox"/> CORRECTED	
2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>			
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
6 Net unrealized appreciation in employer's securities			
7 Distribution code 7 <input type="checkbox"/> SIMPLE <input type="checkbox"/>	8 Other <input type="checkbox"/>	9a Your percentage of total distribution %	
9b Total employee contributions			
10 State income tax withheld	11 State/Payer's state number SC 25130739-4	12 State distribution \$799.20	

Copy 2
File this copy with your state, city, or local income tax return when required.

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Department of the Treasury-Internal Revenue Service

Instructions for Recipient

Generally, distributions from pensions, annuities, profit-sharing and retirement plans (including section 457 state and local government plans), IRAs, insurance contracts, etc., are reported to recipients on Form 1099-R.

Qualified Plans. If your annuity starting date is after 1997, you must use the simplified method to figure your taxable amount if your payer did not show the taxable amount in box 2a. See **Pub. 575**, Pension and Annuity Income.

IRAs. For distributions from a traditional individual retirement arrangement (IRA), simplified employee pension (SEP), or savings incentive match plan for employees (SIMPLE), generally the payer is not required to compute the taxable amount. Therefore, the amounts in boxes 1 and 2a will be the same most of the time. See the Form 1040 or 1040A instructions to determine the taxable amount. If you are at least age 70-1/2, you must take minimum distributions from your IRA (other than a Roth IRA). If you do not, you may be subject to a 50% excise tax on the amount that should have been distributed. See **Pub. 550**, Individual Retirement Arrangements (IRAs), and **Pub. 560**, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), for more information on IRAs.

Roth IRAs. For distributions from a Roth IRA, generally the payer is not required to compute the taxable amount. You must compute any taxable amount on **Form 8606**, Nondeductible IRAs. An amount shown in box 2a may be taxable earnings on an excess contribution.

Box 2a. This part of the distribution is generally taxable. If there is no entry in this box, the payer may not have all the facts needed to figure the taxable amount. In that case, the first box in box 2b should be checked. You may want to get one of the following publications from the IRS to help you figure the taxable amount: **Pub. 560**, **Pub. 571**, Tax-Sheltered Annuity Plans (403(b) Plans) for Employees of Public Schools and Certain Tax-Exempt Organizations, **Pub. 575**, **Pub. 590**, **Pub. 721**, Tax Guide to U.S. Civil Service Retirement Benefits, or **Pub. 939**, General Rule for Pensions and Annuities. For an IRA distribution, see **IRAs** and **Roth IRAs** above. For a direct rollover, zero should be shown, and you must enter zero (-0-) on the "Taxable amount" line of your tax return.

If this is a total distribution from a qualified plan (other than an IRA or tax-sheltered annuity) and you were born before January 2, 1936 (or you are the beneficiary of someone born before January 2, 1936), you may be eligible for the 10-year tax option. See the **Instructions for Form 4972** for more information.

Box 2b. If the first box is checked, the payer was unable to determine the taxable amount, and box 2a should be blank. However, if this is a traditional IRA, SEP, or SIMPLE distribution, then see **IRAs** above. If the second box is checked, the distribution was a total distribution that closed out your account.

Box 3. If you received a lump-sum distribution from a qualified plan and you were born before January 2, 1936 (or you are the beneficiary of someone born before January 2, 1936), you may be able to elect

Box 7. The following codes identify the distribution you received. 1-Early distribution, no known exception (in most cases, under age 59-1/2). See **Form 5329**, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. For a rollover to a traditional IRA of the entire taxable part of the distribution, do not file **Form 5329**. See the **Form 1040/1040A** instructions. 2-Early distribution, exception applies (under age 59-1/2)*. 3-Disability*. 4-Death*. 5-Prohibited transaction. 6-Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts). 7-Normal distribution. 8-Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2005. 9-Cost of current life insurance protection (premiums paid by a trustee or custodian for current insurance protection, taxable to you currently). A-May be eligible for 10-year tax option. See **Form 4972**. D-Excess contributions plus earnings/excess deferrals taxable in 2003. E-Excess annual additions, under section 415 and certain excess amounts under section 403(b) plans. Report on **Form 1040/1040A** on the line for taxable pension or annuity income*. F-Charitable gift annuity. G-Direct rollover to a qualified plan, a tax-sheltered annuity, a governmental 457(b) plan, or an IRA. May also include a transfer from a conduit IRA to a qualified plan*. J-Early distribution from a Roth IRA. Report on **Forms 1040** and **8606** and see **Form 5329**. L-Loans treated as distributions. N-Recharacterized IRA contribution made for 2005 and recharacterized in 2005. Report on 2005 **Form 1040/1040A** and **Form 8606**, if applicable. P-Excess contributions plus earnings/excess deferrals taxable in 2004. Q-Roth IRA qualified distribution. You are age 59-1/2 or over and meet the 5-year holding period for a Roth IRA. See the **Form 1040/1040A** instructions*. R-Recharacterized IRA contribution made for 2004 and recharacterized in 2005. Report on

Loans Treated as Distributions. If you borrow money from a qualified plan, tax-sheltered annuity, or government plan, you may have to treat the loan as a distribution and include all or part of the amount borrowed in your income. There are exceptions to this rule. If your loan is taxable, Code L will be shown in box 7. See **Pub. 575**.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1. Shows the total amount you received this year. The amount may have been a direct rollover, a transfer or conversion to a Roth IRA, a recharacterized IRA contribution, or you may have received it as periodic payments, as nonperiodic payments, or as a total distribution. Report the amount on **Form 1040** or **1040A** on the line for "IRA distributions" or "Pensions and annuities" (or the line for "Taxable amount"), and on **Form 8606**, whichever applies. However, if this is a lump-sum distribution, report it on **Form 4972**, Tax on Lump-Sum Distribution. If you have not reached minimum retirement age, report your disability payments on the line for "Wages, salaries, tips, etc." Also report on that line corrective distributions of excess deferrals, excess contributions, or excess aggregate contributions.

If a life insurance, annuity, or endowment contract was transferred tax free to another trustee or contract issuer, an amount will be shown in this box and Code 6 will be shown in box 7. You need not report this on your tax return.

to treat this amount as a capital gain on **Form 4972** (not on Schedule D (**Form 1040**)). See the instructions for **Form 4972**. For a charitable gift annuity, report as a long-term capital gain on Schedule D (**Form 1040**).

Box 4. This is the amount of Federal income tax withheld. Include this on your income tax return as tax withheld, and if box 4 shows an amount (other than zero), attach Copy B to your return. Generally, if you will receive payments next year that are not eligible rollover distributions, you can change your withholding or elect not to have income tax withheld by giving the payer **Form W-4P**, Withholding Certificate for Pension or Annuity Payments.

Box 5. Generally, this shows the employee's investment in the contract (after-tax contributions), if any, recovered tax free this year, the part of premiums paid on commercial annuities or insurance contracts recovered tax free, or the nontaxable part of a charitable gift annuity. This box does not show any IRA contributions.

Box 6. If you received a lump-sum distribution from a qualified plan that includes securities of the employer's company, the net unrealized appreciation (NUA) (any increase in value of such securities while in the trust) is taxed only when you sell the securities unless you choose to include it in your gross income this year. See **Pub. 575** and the instructions for **Form 4972**. If you did not receive a lump-sum distribution, the amount shown is the NUA attributable to employee contributions, which is not taxed until you sell the securities.

2004 **Form 1040/1040A** and **Form 8606**, if applicable. S-Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59-1/2). May be subject to an additional 25% tax. See **Form 5329**. T-Roth IRA distribution, exception applies. You are either age 59-1/2 or over or an exception (code 3, or 4) applies. See the **Form 1040/1040A** instructions.

If the IRA/SEP/SIMPLE box is checked, you have received a traditional IRA, SEP, or SIMPLE distribution.

Box 8. If you received an annuity contract as part of a distribution, the value of the contract is shown. It is not taxable when you receive it and should not be included in boxes 1 and 2a. When you receive periodic payments from the annuity contract, they are taxable at that time. If the distribution is made to more than one person, the percentage of the annuity contract distributed to you is also shown. You will need this information if you use the 10-year tax option (**Form 4972**).

Box 9a. If a total distribution was made to more than one person, the percentage you received is shown.

Box 9b. For a life annuity from a qualified plan or from a tax-sheltered annuity (with after-tax contributions), an amount may be shown for the employee's total investment in the contract. It is used to compute the taxable part of the distribution. See **Pub. 575**.

Boxes 10-15. If state or local income tax was withheld from the distribution, these boxes may be completed. Boxes 12 and 15 may show the part of the distribution subject to state and/or local tax.

*You are not required to file **Form 5329**.

FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT

2005 • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.
• SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name LOUISE M BROWN		Box 2. Beneficiary's Social Security Number 247-44-3042
Box 3. Benefits Paid in 2005 \$14,870.40	Box 4. Benefits Repaid to SSA in 2005 NONE	Box 5. Net Benefits for 2005 (Box 3 minus Box 4) \$14,870.40
DESCRIPTION OF AMOUNT IN BOX 3 Paid by check or direct deposit \$13,932.00 Medicare premiums deducted \$938.40 from your benefit \$14,870.40 Total Additions \$14,870.40 Benefits for 2005 \$14,870.40		DESCRIPTION OF AMOUNT IN BOX 4 NONE
Box 6. Voluntary Federal Income Tax Withheld NONE		

Box 7. Address:
 Do not use ZIP code
 2001 12TH AVE NORTH
 BIRMINGHAM, AL 35285-0001

Form SSA-1099-SM (1/2000)

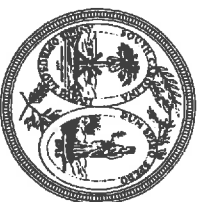
DO NOT RETURN THIS FORM TO SSA OR IRS

SOCIAL SECURITY ADMINISTRATION
 SOUTHEASTERN PROGRAM SERVICE CENTER
 2001 12TH AVE NORTH
 BIRMINGHAM AL 35285-0001

OFFICIAL BUSINESS
 PENALTY FOR PRIVATE USE, \$300

THE SOCIAL SECURITY
 ADMINISTRATION
 POSTAL MAIL PERMIT
 SOCIAL SECURITY
 ADMINISTRATION
 PERMIT NO. 611

CU1396940-11851397352



State of South Carolina

Department of Health and Human Services

Mark Sanford
Governor

Robert M. Kerr
Director

July 1, 2005

Dear SILVERxCARD Beneficiaries:

As you have heard by now, Medicare will begin covering prescription drugs for seniors beginning January 1, 2006. You may have already received or soon will be receiving information from Medicare about the new prescription drug benefit. Please pay close attention to this information because to get Medicare drug coverage, you must enroll in a Prescription Drug Plan (PDP) this fall.

The addition of prescription drug coverage to your Medicare benefit will make it necessary for the SILVERxCARD program to change. As of January 1, 2006, SILVERxCARD will no longer be a primary source of prescription drug coverage. For some beneficiaries above 150% of poverty, there are gaps in the Medicare program. Generally, the changes in the SILVERxCARD program will be used to fill this gap for beneficiaries with income between 150% and 200% of poverty. However, we cannot finish the details regarding the changes in the SILVERxCARD program until Medicare completes their program design. As soon as the details are worked out, we will send you information about the new SILVERxCARD program.

If your income meets certain requirements, you will also be receiving information from the Social Security Administration (SSA) about getting extra help paying for your prescription drugs. Please pay close attention to this information because to get this extra help, you must apply for it. You can begin doing that now at your nearest Social Security Administration Office. We strongly encourage you to apply because, if you qualify, this extra help is better than the help you have been receiving from SILVERxCARD. Please remember, after January 1, 2006, SILVERxCARD will not provide you with basic drug coverage.

Some important dates for you to remember are:

- **July 1, 2005** – The Social Security Administration begins processing applications for those who need extra help with drug plan costs.
- **November 15, 2005** – People with Medicare can sign up for a Medicare prescription drug plan to help lower their drug costs.
- **January 1, 2006** – Medicare begins to pay for your drugs instead of Medicaid.

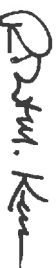
SILVERxCARD Beneficiaries

July 1, 2005

Page Two

If you have questions about getting extra help paying for your prescription drugs, you should contact the Social Security Administration at 1-800-772-1213, or visit www.socialsecurity.gov. You may also contact the State Health Insurance Assistance Program (SHIP) office at 1-800-868-9095.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. M. Kerr", written in a cursive style.

Robert M. Kerr
Director

RMK:sbb

**This is a Receipt for Your Application for
Help With Medicare Prescription Drug Plan Costs**

Kathryn M Brown
701 GLENWOOD AVE
ANDERSON SC 29625

Date: August 3, 2005
SSN: 247-44-3042

We received your Application for Help with Medicare Prescription Drug Plan Costs and will process it as quickly as possible. We will contact you if we need more information.

Please remember if you qualify for this help, you must enroll in a Medicare Prescription Drug Plan. You will be able to obtain a list of Prescription Drug Plans in your area beginning October 1st. You may obtain this information by calling toll-free 1-800-MEDICARE (1-800-633-4227). If you are deaf or hard of hearing, you may call the Medicare TTY number toll-free at 1-877-486-2048.



Jo Anne B. Barnhart
Commissioner
of Social Security

Gap Assistance Pharmacy Program for Seniors (GAPS)

(Note: this information may not be final and is subject to change as information becomes available about the Medicare drug program and the drug plans involved)

Starting January 1, 2006, Medicare will offer prescription drug coverage for people eligible for Medicare. Under the new Medicare Prescription Drug program, most seniors who join a Medicare Prescription Drug Plan will pay a monthly premium, a \$250 annual deductible, and 25% per prescription after the first \$250 of prescription drug costs until their drug costs reach \$2,250. Once their drug costs reach \$2,250, they will be responsible for 100% of their drug costs until their costs reach \$5,100. This gap in drug coverage that many people will face for drug expenses between \$2,250 and \$5,100 is being referred to as the "doughnut hole."

A new program, the Gap Assistance Pharmacy Program for Seniors (GAPS) will help "fill the gap" in this hole. For seniors with income below 200% of the Federal Poverty Level, GAPS will provide state pharmacy assistance to the new Medicare Prescription Drug program when drug costs reach the "doughnut hole" between \$2,250 and \$5,100. With GAPS, seniors will only pay 25% of their prescription costs, rather than the 100% they would have had to pay without this state assistance.

The SILVERxCARD program will end December 31, 2005. Seniors will not be able to use their SILVERxCARD after this date. GAPS will begin January 1, 2006. Those seniors who are already participating in SILVERxCARD will not have to apply for GAPS. Those seniors with incomes below 200% of the Federal Poverty Level (\$1,595/month for an individual or \$2,138 for a couple) not currently enrolled in SILVERxCARD can apply for GAPS if they are enrolled in a Medicare Prescription Drug Plan that participates with the SC Department of Health and Human Services (DHHS).

Before applying for GAPS, seniors should first check to see if they qualify for Extra Help through the Social Security Administration. This Extra Help is for individuals with income below 150% of the Federal Poverty Level (\$1,196/month for an individual or \$1,604 for a couple) and limited resources (less than \$11,500 for an individual or \$23,000 for a couple). If they qualify, this Extra Help from the Social Security Administration will benefit them more than GAPS because the Extra Help will assist them with their Medicare prescription drug coverage monthly premium, deductibles, coinsurance, and there will be no "doughnut hole" for these individuals. Online applications for the Extra Help are available at www.socialsecurity.gov or you may call 1-800-772-1213.

Some important things for seniors to remember:

- Look for your "Medicare & You 2006" handbook in October.
- Make a list of the drugs you take before you begin to look at lists of drugs that are covered by each Medicare Prescription Drug Plan.
- Join a Medicare Prescription Drug Plan that participates with DHHS between November 15 and December 31, 2005, so your coverage will begin January 1, 2006.
- You will receive a new drug card from the Medicare Drug Plan you join.
- You will not be able to use your SILVERxCARD after December 31, 2005.
- If you already have SILVERxCARD you don't have to apply for GAPS.
- More information about GAPS will be distributed as it becomes available.
- For information about SILVERxCARD, or to apply for SILVERxCARD, call 1-888-549-0820.
- You can get more information about the Medicare Prescription Drug coverage program by calling Medicare at 1-800-633-4227.

Social Security Administration Medicare Prescription Drug Assistance Notice of Denial

Southeastern Program Service Center
2001 Twelfth Avenue, North
Birmingham, Alabama 35285-0001
Date: November 13, 2005
Social Security Number: 247-44-3042

1M1PC30004234 0.780 AT 0.292 T00000130

LOUISE BROWN
701 GLENWOOD AVE
ANDERSON SC 29625-2858

We have determined that you are not eligible for extra help with Medicare prescription drug plan costs. This determination is based on the letter we previously sent you and any additional information you submitted. It is important for you to know you can still enroll in a Medicare Prescription drug plan even though you do not qualify for this extra help.

The rest of this notice explains how we determined that you are not eligible, the information we used to make this decision, how to sign up for a Medicare prescription drug plan, what to do if your situation changes, and your appeal rights.

Why You Are Not Eligible For Help With Your Prescription Drug Plan Costs

You are not eligible for extra help to pay your Medicare prescription drug plan costs, also known as subsidy, because your income is above the limit established by law.

Information Used In Making The Decision

You have 1 person in your household. When we determine the size of your household, we count you, your spouse who lives with you, and any relative who lives with you and receives one-half support from you or your spouse.

We did not make a decision on your resources, because you have not provided enough information about your resources.

When we determine your income, we count the total amount for the year. Any monthly amounts you gave us were converted to a yearly total.

You the following yearly income:

- Social Security benefits (before any Medicare premium deductions) of \$14,870.40
- Other pensions or annuities of \$792.00

Your income we count is 150% or more of the Federal Poverty Level. The enclosed worksheet shows how we counted your income. Please review the worksheet carefully to be sure the amounts are correct, especially the totals for any Railroad benefits, Veteran's benefits, or other pensions or annuities.

How To Sign Up For A Medicare Prescription Drug Plan

You do not need to receive this extra help paying for the costs related to your Medicare prescription drug plan in order to be eligible to enroll in a Medicare prescription drug plan or Medicare Advantage drug plan. You can enroll beginning November 15, 2006. For more information about the prescription drug plans available in your area, go to www.medicare.gov on the Internet or call toll-free 1-800-MEDICARE (1-800-633-4227). If you are deaf or hard of hearing, you may call the Medicare TTY number toll-free at 1-877-486-2048.

What To Do If Your Situation Changes

If at any time in the future you think you qualify for this extra help, also known as a subsidy, please contact us immediately about filing a new application.

If You Disagree With The Decision

If you disagree with the decision, you have the right to appeal. We will provide you with a hearing by telephone or a case review. We will look at any new information you have. The person who will conduct the hearing or case review had no prior involvement in the first decision. We will review those parts of the decision which you believe are wrong and will look at any new facts you have. We may also review those parts which you believe are correct and may make them unfavorable or less favorable to you.

If you want this appeal, either by a hearing or a case review, you may request it by calling toll-free 1-800-772-1213.

- You have 60 days to ask for an appeal.
- The 60 days start the day after you get this letter. We assume you got this letter 5 days after the date on it unless you show us that you did not get it within the 5-day period.
- You must have a good reason for waiting more than 60 days.
- You can call to request an appeal. You can also obtain a copy of the form SSA-1021, "Request for Appeal of Determination for Help with Medicare Prescription Drug Plan Costs" from www.socialsecurity.gov. Contact us if you need help.

If You Want Help With Your Appeal

You can have a lawyer, friend, or someone else help you. Your local Social Security office has a list of groups that can help you with your appeal. These groups can find a lawyer or give you free legal services if you qualify. There are also lawyers who do not charge unless you win your appeal.

Information About Medicare Savings Programs

You may be able to get help with your Medicare health care costs through programs run by your State. The additional help from these Medicare Savings Programs can be worth more than \$900 a year. To get this extra help, please call your State's medical assistance (Medicaid) office or your social service office and ask about the Medicare Savings Programs. You can get the local phone number for these offices by calling MEDICARE toll-free at 1-800-MEDICARE (1-800-633-4227). If you are deaf or hard of hearing, you may call the Medicare TTY number toll-free at 1-877-486-2048.

How You May Be Able To Receive SSI

It does not appear that you are eligible for Supplemental Security Income (SSI) benefits. However, you may still want to file an SSI application, if you did not already file when you filed your application for help with Medicare prescription drug plan costs. If you file an SSI application, you will receive a formal decision of your eligibility. If you do not agree with the decision, you may appeal. If you decide to file, it is important that you get in touch with Social Security right away. You may call us toll-free at 1-800-772-1213. If you file an application more than 60 days from the date of this notice, you may lose SSI benefits.

If You Have Any Questions

For information about Medicare prescription drug plans or other Medicare issues, visit www.medicare.gov on the Internet or call toll-free 1-800-MEDICARE (1-800-633-4227). If you are deaf or hard of hearing, you may call the Medicare TTY number toll-free at 1-877-486-2048.

For information about the extra help with the costs related to Medicare prescription drug plans or general information about Social Security, visit our website at www.socialsecurity.gov on the Internet. You may also call Social Security toll-free at 1-800-772-1213. If you are deaf or hard of hearing, you may call our TTY number toll-free at 1-800-325-0778. We can answer most questions by phone.

You can also write or visit any Social Security office. The office that serves your area is located at:

SOCIAL SECURITY
3420 CLEMSON BLVD
ANDERSON, SC 29621

Telephone: 1-864-231-7057



If you do call or visit an office, please have this letter with you. It will help us answer your questions.

A handwritten signature in black ink, appearing to read "Paul D. Barnes". The signature is written in a cursive, flowing style.

Paul D. Barnes
Regional Commissioner

Enclosure(s):

Income Worksheet

SOCIAL SECURITY ADMINISTRATION**How We Counted Your Income To Determine Your Subsidy**

For January 2006 and continuing

Social Security	\$14,870.40
Other Pensions or Annuities	792.00
(General Income Exclusion)	(240.00)
Subtotal of Your Income We Count	\$15,422.40
Total Income We Count	\$15,422.40
Income Limit For Subsidy Eligibility	\$14,355.00

