

# The Federal Manager

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## PRESIDENT'S PAGE



*FMA National President*  
**Michael B. Styles**

### Taking Care of Our Retirees, Today and Tomorrow

For the better part of 2003 there was considerable fanfare about the new prescription drug benefit for seniors that served as the integral part of the Medicare Modernization Act signed into law by the President. What we didn't hear much about was the fact that the Social Security Administration (SSA) would be responsible for implementing this expansive new program – within two short years. Here we are now in 2005, and true to task, SSA is ready to launch the Medicare Prescription Drug Program's initial enrollment period beginning November 15. Our cover feature shares the story of how Social Security has demonstrated, once again, the magnificence of our federal employees in helping our elder citizens – and in consistently meeting the challenges put before them.

In this issue, you will also read about the tremendous work the Government Accountability Office (GAO) and its leader, Comptroller General David Walker, have done to confront the human capital crisis that has begun to surface at agencies and departments throughout the federal government with the increasing rate of retirement of our civil servants. The workforce reforms taking place at GAO should provide valuable insight into the management of our human resources in the 21st century.

FMA recently concluded an energizing 14th annual Mid-Year Conference in Portsmouth, Va., where member recruitment and retention took center stage, as you will see on page 16. As an association, we, too, are feeling the pinch of the retirement crunch, and it is essential that we educate our membership on the many benefits of belonging to FMA as a retired member. With the help of our new Retiree Conference and its chair, Sherie Lewis, we hope to remind our retirees and soon-to-be retirees that the repeal of the Government Pension Offset and the Windfall Elimination Provision, along with allowing federal retirees to pay their health insurance premiums out of pre-tax income, are just some of the critical issues we continue to fight for day in and day out on their behalf. Our active employees also need to keep in mind that these efforts require their support in order to ensure their benefits upon retirement.

In our "Making a Difference" section, we celebrate the silver anniversary of our FMA Chapter 191, Railroad Retirement Board, remembering the incredible history of our Association that was created by members staying active and involved in promoting "excellence in public service." You will also learn about one of the many ways chapters can introduce FMA to the local federal community, as told by Chapter 187 President Mike Fitzgerald.

In addition to an update from the FMA National Office regarding our latest progress on Capitol Hill, you can read about a growing concern in the demographics of our federal workforce. Jorge Ponce, co-chair of the Council of Federal EEO and Civil Rights Executives, offers his perspective in our "Between the Lines" section on the disproportionate representation of Hispanics in the federal government.

While there is no question that as a nation we must do what we can to ease the burden on retirees, we as FMA members cannot forget all that we as an Association are doing for the retiree community in the federal government. Membership, both active and retired, remains the lifeblood of our organization; so as we recruit and retain the "best and the brightest" in civil service, we must commit to doing the same for FMA's future. ■

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**Member-at-Large Annual Dues: \$72**

**Retired Member-at-Large Annual Dues: \$36**

**Annual Subscription Rate: \$25**

**Single Issue Rate: \$7.50**

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All materials submitted to *The Federal Manager* should pertain to public service managers. Copy should be double-spaced, no longer than 10 pages. Color photographs, 35 mm color slides, charts, or other illustrations should be included if possible. Text should be submitted on floppy disk, labeled with type of software and name of file. Also include a biography of author.

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# Social Security: Meeting the Medicare Challenge

By Kia S. Green

The mission was clear: to get help for the nation's elderly and disabled with their prescription drug costs. So when members of Congress drafted legislation to reform Medicare, they tasked the Social Security Administration with helping to implement the new program.

Hundreds of pages of legislation had to be translated quickly into policy that would be understood by all Medicare beneficiaries and transformed into a simple process that would make it easy for them to apply.

Medicare, which was established in 1965 under the Social Security Act, provides health insurance to individuals aged 65 or over. Individuals receiving disability benefits for 24 months were added to health insurance effective July 1973. However, as the decades progressed, rising health costs and technology began to outpace what the original legislation could provide. Medicare had to undergo significant changes to improve the lives of its beneficiaries.

On December 8, 2003, President George W. Bush signed the Medicare Modernization Act into law. "Medicare has spared millions of seniors from needless hardship," said President Bush. "Each generation benefits from Medicare. Each generation has a duty to strengthen Medicare. And this generation is fulfilling our duty."

The Medicare Modernization Act creates more choices for Medicare

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# Social Security



**Over 35,000  
front-line  
employees  
received training  
on Social  
Security's role in  
implementing the  
prescription drug  
program.**



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beneficiaries when it comes to their health care. Seniors and certain disabled beneficiaries can receive expanded health plan options, improved health care access and preventive care services, such as flu shots and mammograms.

But the most comprehensive change brought about from the legislation was the prescription drug coverage provided for beneficiaries through the Medicare Prescription Drug Program. The prescription drug program also includes a low-income subsidy that can provide extra financial help to beneficiaries who need it most. The extra help covers the costs of co-payments, premiums, and deductibles.

In order to qualify for the extra help, an individual or married couple living together must have limited income and resources and be enrolled in Medicare Part A Hospital Insurance and/or Part B Medical Insurance. These beneficiaries must also reside in one of the 50 states or Washington, D.C.

Medicare is administered by the Department of Health and Human Services through the Centers for Medicare & Medicaid Services. Since the inception of the program, the Social Security Administration has been responsible for enrolling beneficiaries in Part A Hospital Insurance and/or Part B Medical Insurance. This is an added convenience for beneficiaries so they can enroll while applying for Social Security benefits.

As a result of Social Security's well-known reputation for service to the public, Congress expanded the agency's role by requiring it to undertake a number of additional Medicare-related responsibilities, particularly with finding beneficiaries who need the extra help with their prescription drug costs.

"We at Social Security have shown

that when we are given a mission, we can achieve it," said Beatrice Disman, New York Regional Commissioner and head of the agency's latest efforts with Medicare.

## Personnel Efforts

To gear up for the new law, Social Security took several steps. The agency created a Medicare Planning and Implementation Team to specifically oversee Medicare related duties and act as a liaison with the Center for Medicare & Medicaid Services.

Social Security, which employs over 65,000 people, hired 2,700 additional employees, most of whom will work in Social Security's 1,300 field offices nationwide.

Over 35,000 front-line employees received training on Social Security's role in implementing the prescription drug program.

"We had to make sure we trained a large group of people to have them ready to take the applications," said Ina Dunn in Social Security's Office of Operations.

The agency is monitoring the workloads with the newly-developed Medicare Information Tracking System. "We have contingency plans depending on how the work comes in and what resources are needed," said Disman.

## Defining the Roles

The roles for Social Security and the Centers for Medicare & Medicaid Services had to be clearly defined. The Centers for Medicare and Medicaid Services has to reach over 42 million beneficiaries who can participate in the prescription drug program. It also handles all of the technical aspects of the new legislation.

Social Security's role with respect to

the prescription drug program is to identify and contact beneficiaries who are potentially eligible for the low-income subsidy and get them to apply for the extra help. Social Security will determine eligibility and handle the appeals process for the subsidy as well.

"I think the cooperation between the Centers for Medicare & Medicaid Services and Social Security has been just incredible – from day one onward," said Disman.

## Policy Challenges

The last time Social Security helped implement a major new program was in 1972 with the creation of the Supplemental Security Income program. More than three decades later, Social Security is building upon that experience and utilizing new technology to implement the low-income subsidy.

"The first challenge when given legislation as complex as the Medicare Modernization Act is to translate it into policy," said Disman, who has been with the agency since 1965. Because the Department of Health and Human Services and the Centers for Medicare & Medicaid Services are responsible for a considerable portion of this act, Social Security had to develop policies that would be consistent with both agencies' regulations.

"The law requires us to keep it simple," said James Carey in Social Security's Office of Disability and Income Security Programs. After extensive discussion between Social Security and the Centers for Medicare & Medicaid Services, the agencies agreed on the fundamentals of the new policy and hammered out the final details.

"We were finding ways to simplify a process that could affect millions of people," said Carey.

## People Challenges

But even a simplified process can be a challenge to implement. While almost

seven million beneficiaries who are already dually entitled to Medicare and Medicaid, in a Medicare Savings program or receiving Medicare and Supplemental Security Income will not have to apply, there are millions of potentially eligible people who will have to apply for the extra help.

"They all have to be contacted within a short period of time," Disman said. "Since the new prescription drug program takes effect in January 2006, the clock is ticking."

In an effort to reach all of those who are potentially eligible for the extra help,

Social Security worked with various federal and state agencies and ultimately mailed out nearly 19 million applications.

Many in this group are in their 70s, 80s, and 90s, and some are disabled. Concerns about their declining cognitive ability, limited computer literacy, and reaction to change were taken into account in trying to make it easier for beneficiaries to apply.

Social Security and the Centers for Medicare & Medicaid Services conducted focus groups and special cognitive testing to ensure that the application will be easily understood. Together, the agencies developed consistent terminology when discussing the Medicare Prescription Drug Program.

For instance, beneficiaries did not identify with the terms "low-income/low resources" or "subsidy." "As a result of our research, the terms "low-income/low-resources" became "limited income" and "limited resources" in order to reach the audience," said Disman. The term "subsidy" was changed to "extra help" for clarity.

"Terminology and how you present it to people is a very significant part of our communications and outreach efforts," said Disman.

Social Security discussed various draft versions of the application with national and local advocacy groups, as well as State Medicaid Directors, and congressional staff.

The end result is a four-page application

that contains 16 questions to determine eligibility. "We did everything possible to make the application simple to understand," said Jim Courtney, Deputy Commissioner for Communications.

Additional products also are available to increase comprehension. Instruction sheets on how to complete the application are available in 14 different languages in addition to English and Spanish.

## Eligibility Challenge

Determining financial eligibility presented a challenge because considerable information is needed to fill out the application. The total annual income to qualify is \$14,355 for individuals and \$19,245 for married couples.

Income can be slightly higher in some instances, such as if beneficiaries support other family members who live with them, have earnings from work, or live in Alaska or Hawaii.

Resources cannot exceed \$10,000 for individuals or \$20,000 for married couples. This includes real estate (other than the primary residence), bank accounts, stocks, bonds, mutual funds, Individual Retirement Accounts (IRAs) or cash at home or anywhere else. The resource limit also allows for an additional \$1,500 per person for burial expenses.

According to Disman, Social Security was concerned that beneficiaries would have to carry all of the required documentation to the local grocery store to get photocopies made. To make documenting information easier, the new law allows for attestation, the process of applicants affirming the information provided on the application.

"We have designed a computer matching process where someone has to attest, and we will verify the information by the various computer matchings that we have," said Disman. This gives

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# Social Security

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beneficiaries the option to apply for the extra help through Social Security's toll-free number, 1-800-772-1213.

## Early Mailing

Before sending out nearly 19 million applications, Social Security did an early mailing in March 2005 to identify any potential challenges that could arise. Social Security sent a letter notifying 2,050 beneficiaries in 42 postal zip codes of their potential eligibility and an Application for Help with Medicare Prescription Drug Plan Costs.

The scanable application also included a pre-addressed stamped envelope to be sent to Social Security's Wilkes-Barre Data Operations Center for processing.

"The early mailing increased our confidence in the success of the outreach strategy that we are currently implementing," said Disman.

## Apply Online!

Social Security is committed to providing a variety of ways for seniors and people with disabilities to get the extra help they need with Medicare prescription drug costs.

On June 29, 2005, Social Security unveiled a new Internet application for extra help with prescription drug costs and made it available to the public that same day.

"The online application is simple and easy to understand, and can be completed by the Medicare beneficiary or by family members, and caregivers – anyone in a position to assist the person applying," said Jo Anne Barnhart, Commissioner of Social Security.

## National Outreach Campaign

Social Security is committed to having as many potentially eligible low-income Medicare beneficiaries as possible file for the extra help before the Medicare prescription drug program starts.

Though prescription drug coverage is not effective until January 1, 2006, the Medicare Prescription Drug Program initial enrollment period begins November 15, 2005 continuing through May 15, 2006.

Beneficiaries will enroll directly with an approved Medicare prescription drug provider for coverage so the "people think when they fill out the application for extra help that they are enrolling in a plan. They are not. This is a two-step process," said Disman. "You apply for extra help with Social Security, and you enroll in a plan with a prescription drug provider."

Social Security began a nationwide outreach campaign to educate the public. Thousands of outreach activities will be conducted by Social Security to inform the public at the grassroots level and to give beneficiaries an opportunity to apply onsite.

"President Bush is asking people on Medicare, as well as those who care about them, to become better informed about the new prescription drug benefit," said Commissioner Barnhart. By reaching out to third parties, caregivers, and advocacy groups, Social Security is able to educate more people about the extra help.

Social Security has built upon its previous relationships with organizations and state agencies, and asked them to help assist people in applying for the extra help. Types of organizations that Social Security has focused on include health care providers (such as hospitals, clinics, doctors, etc.), faith-based groups, seniors, and the disabled.

The outreach campaign presents a new opportunity for Social Security to reach out to another type of partner: pharmacies.

Social Security knows that the trusted reputations of pharmacists will be influential in reaching potentially eligible Medicare beneficiaries and is placing special emphasis on national, independent, and retail pharmacies.

These groups collectively requested millions of the products developed by Social Security for Medicare outreach. The products, created by the Social Security's Office of Communications, include printed, video, computer and online products to inform the public of the availability of extra help to pay Medicare prescription drug plan costs and to assist beneficiaries in applying for the extra help.

Social Security developed PowerPoint presentations, CD's, videos, and DVD's that serve as tools to train State agencies, third parties, and advocacy groups. Social Security also distributed several posters to be displayed in a variety of locations across the country.

The printed products include leaflets, fact sheets, and worksheets. The worksheet titled "What You Need to Complete the Application for Help with Medicare Prescription Drug Plan Costs," "is one of the most successful products that we have," said Disman. The worksheet, which is being distributed to community-based groups, allows beneficiaries to gather necessary information before they apply. All of the products are available through the new "Medicare Outreach" link prominently displayed on [www.socialsecurity.gov](http://www.socialsecurity.gov).

Although it is still early in the process, Social Security is pleased with the efforts it has underway to reach Medicare beneficiaries.

"Social Security has always risen to the challenge," said Disman. "We will meet the challenge Congress has presented us with the prescription drug program." ■

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*Kia Green is a Public Information Specialist in the National Press Office of the Social Security Administration. She has been with the agency since 2003.*