

Medicare's New Coverage for Prescription Drugs: UPDATE (Part II)

We hope that the information provided here will assist you in understanding the new Medicare coverage for prescription drugs. More detailed information can be found at www.jewishfedny.org/seniors. The final installment covering program costs and EPIC will be in November.

Last month we presented the first part in a series on Medicare's new coverage for prescription drugs. We reviewed what is Medicare Drug Benefit Part D, who is eligible for its coverage, how it differed from the Medicare-approved discount drug cards, how to get the Medicare prescription drug coverage, and whether you have a choice of Medicare private drug plans. We continue the information here.

Will Medicare private drug plans offer standard, uniform Medicare drug coverage?

No. The 2003 Medicare law outlined a plan that will be used as the standard for the overall value a plan must offer in order to be approved as a Medicare private drug plan. However, you may never see a plan exactly like the basic plan outlined in the law. Plans can structure their benefit differently as long as the overall value is at least as good as the Medicare basic plan. They can also offer better coverage, for which they will likely charge a higher premium.

According to the basic plan outlined in the law, in 2006 you would pay in addition to your monthly premium:

- The first \$250 of your drug costs for covered drugs each year (deductible);
- Coinsurance or copays worth 25% of the cost of covered drugs between \$251 and \$2,250;
- 100% of the cost of covered drugs between \$2,251 and \$5,100; and
- 5% of the cost of covered drugs above \$5,101 – catastrophic coverage (or a copayment of \$2 for covered generics/preferred drugs and \$5 for covered brand-name drugs, whichever is greater).

Under this plan, you will have to reach \$3,600 in out-of-pocket costs in 2006 before you can receive catastrophic coverage. You may get additional help to pay for your out-of-pocket costs if your income is limited.

When you receive information on the new prescription plan, open it, read it, and save it. If you have questions, call your local Office of the Aging, listed below.

When can I first enroll in the Medicare drug benefit?

You can enroll in the Medicare drug benefit (Part D) during your Initial Enrollment Period (IEP).

- If you currently have Medicare or will be eligible for Medicare in Jan. 2006, your IEP will be between Nov. 15, 2005 and May 15, 2006.
- If you will become eligible for Medicare during Feb. 2006, your IEP will be between Nov. 15, 2005 and May 31, 2006.
- If you will become eligible for Medicare during or after March 2006, your IEP for the Part D will be the same as it is for Part B. It will be a seven-month period that includes the three months before the month you become eligible, the month you are eligible and three months after the month you become eligible.

What if I am a "Dual Eligible" recipient?

If you have both Medicaid and Medicare, you have most likely been informed that you must select a Medicare-approved Prescription Drug Provider, or you will be automatically assigned to a program. Dual eligible persons may change prescription drug providers monthly, while other Medicare participants will be limited to one annual selection of a provider. Remember, drug providers may change their "formularies" often and without regard to participant needs.



Costs of medicine can be overwhelming

Criteria Medicare Private Plans Must Meet

- The overall value of the drug coverage must be the same or greater than the basic plan outlined in the law.
- The annual deductible cannot be more than \$250 in 2006.
- Catastrophic coverage must be at least as good as it is under the plan outlined in the law.
- Plans must cover all or substantially all drugs in six categories: antidepressants, antipsychotics, anticonvulsants, antiretrovirals (AIDS treatment), immunosuppressants and anticancer.
- Plans must have a process in place for members to request exceptions to the plan's formulary if a non-covered drug is medically necessary.
- Plans must have a network of pharmacies that meets federal standards for convenient access.
- Plans must have a Medicare-approved transition process for new members whose condition has been stabilized on medications that are not on the plan's formulary.

An Important Message about Medicare's New Coverage for Prescription Drugs

The Medicare Part D prescription drug plan may not be beneficial for everyone. Your individual situation – your income, the medication you take, and your current healthcare plan – will impact whether or not the new plan will reduce or increase your costs. Be sure to get all your questions answered before you make a final decision.

Resources at a Glance

Daughters of Sarah Senior Community	(518) 456-7831
Jewish Family Services of NENY	(518) 482-8856
Robert & Dorothy Ludwig Schenectady JCC	(518) 377-8803
Sidney Albert Albany JCC	(518) 438-6651
United Jewish Federation of NENY	(518) 783-7800
The American Geriatrics Society	(800) 563-4916
	www.healthinaging.org

Office of the Aging - Albany County	(518) 447-7179
Office of the Aging - Rensselaer County	(518) 270-2730
Office of the Aging - Saratoga County	(518) 884-4100
Office of the Aging - Schenectady County	(518) 382-8481
Office of the Aging - Warren County	(518) 761-6347

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