

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

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. This is the final installment on the new prescription drug plan. For a copy of the entire series, visit us at www.jewishfedny.org and click on seniors or call us at 518-783-7800, ext. 229.

Over the last two months, we have presented a series of pages about Medicare's new coverage for prescription drugs. In Part I, 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. In Part II, we reviewed private drug plans' coverage, enrollment times, dual eligibility, and criteria medical plans must meet. We continue the information here.

How much will it cost me? How much will my premium be for the new Medicare drug benefit?

In addition to your Part B premium, you will have to pay a monthly premium for Medicare prescription drug benefit (Part D). Medicare is currently estimating that the average national premium (benchmark premium) will be about \$32 a month (\$384 a year) in 2006. However, the benchmark premium will go up every year and what you will pay will vary depending on where you live and which plan you choose.

You can choose to have the premium taken out of your monthly Social Security check (in addition to your Part B premium) or you can pay it directly to the company.

Remember, as a participant, you will have to pay the initial \$250 deductible (in 2006), and then pay an approximately 25% out-of-pocket for prescription medication up to \$2,250 of usage. Unfortunately, the cost of drugs between \$2,551 and \$5,100 in cost will have to come from the participant, 100% out-of-pocket.

How much will I have to pay for my drugs with the Medicare drug benefit?

How much you pay for your drugs will depend on the plan you

There is a great deal of information available about Medicare's new prescription drug benefit. The information can be quite confusing, so we urge you to call one of the agencies listed in this article to get answers to your questions.

choose. Each plan has a great deal of flexibility in how it designs its prescription drug coverage.

In general, under any Medicare private drug plan (Part D plan), you will have to pay a monthly premium, an annual deductible (no more than \$250 in 2006), and varying amounts of coinsurance, depending on the total costs of the drugs you buy. In addition, you will likely have to pay the full cost of your drugs at some point (coverage-gap).

After you have spent a maximum of out-of-pocket costs for covered drugs (\$3,600 in 2006), your costs will go down significantly (catastrophic coverage). However, the cost of any drugs not covered by your Medicare private drug plan will not count toward your out-of-pocket maximum.

You may get help in paying for your out-of-pocket costs if your income and assets are low. This summer the Social Security Administration (SSA) sent applications for this extra help to a number of New York Medicare beneficiaries. If you received it, fill it out and mail it back to the SSA. A determination of your eligibility for extra help will then be made. If you did not receive the application and you wish to get one, contact your local SSA office or your County Office of the Aging's Health Insurance Information Counseling and Assistance Program (HIICAP).



Costs of medicine can be overwhelming

EPIC and the Medicare Drug Benefit

The New York State Elderly Pharmaceutical Insurance Program (EPIC) will continue to exist. EPIC enrollees that choose to join a Medicare drug plan can also keep their EPIC coverage. Many EPIC enrollees will be able to save even more by joining a Medicare drug plan. EPIC can be used to "wrap around" the Medicare drug benefit for greater coverage and savings. For more information on EPIC and the Medicare Drug Benefit, please contact your county HIICAP or call the EPIC Helpline

Receiving More Information

- Call your local county Office of the Aging's HIICAP program
- Call the Social Security Administration, or you can visit the federal Social Security Administration website for information about applying for extra help with Medicare's prescription drug benefit
- The federal Medicare website has extensive information about the Plan
- A free assistance program called Together Rx offers prescription drug discounts. The program's website states: "Together Rx is designed to make a real difference in seniors' lives"; the program will last until the Medicare prescription benefit takes effect in 2006.
- Call the EPIC Helpline
- Call the HIICAP Helpline
- Call Medicare
- Call Social Security

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
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
EPIC Hotline	(800) 332-3742
Social Security Administration	(800) 772-1213 or www.ssa.gov/prescriptionhelp/
Medicare	(800) 633-4227 or www.medicare.gov
HIICAP Helpline	(800) 333-4114
Together Rx	www.togetherrx.com/

This page and previous pages in the series can be found at <http://www.jewishfedny.org> then click on **Seniors**.