

# How will the Medicare Part D Prescription Drug Benefit Affect Me?

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## Introduction

Medicare Part D is a nation-wide, comprehensive, very expensive change to Medicare introduced in the Medicare Modernization Act of 2003. It is very complicated, has short timelines, and will affect different people in different ways.

Disability Rights Wisconsin is not endorsing Medicare Part D or saying it is a good benefit for all people. Because so many people with disabilities in Wisconsin are affected by Medicare Part D, Disability Rights Wisconsin is sponsoring the Disability Drug Benefit Helpline and providing training on Medicare Part D.

**If you have any form of Medicare, you need to pay attention and make some decisions.** If you have no prescription drug coverage and high drug costs, it may be very helpful. If you have both Medicaid and Medicare you must participate.

## What is Medicare Part D?

Medicare Part D is a new Medicare Benefit. Although Medicare makes the basic rules for the program, the benefit is provided many private prescription insurance companies. Some plans are national and some only cover people in the state of Wisconsin. These plans **only cover prescriptions drugs**.

Medicare Part D prescription drug plans each have a different list of drugs they cover and a list of pharmacies where you can go to get your drugs. Other parts of Medicare and Medicaid will continue to provide benefits as before.

## Can I enroll in the new benefit?

**You must have Medicare to enroll in Medicare Part D.**

**If you have Medicare and Medicaid** (*Medicaid is also sometimes called Medical Assistance or Title 19, this includes MAPP, COP, CIP and people that have met their Medicaid deductible*): most of your drugs will be covered under the new Medicare Part D Prescription Drug Benefit **instead of from Medicaid**. You will still need your Forward card because some medications and all other services will continue to be covered under Medicaid. You will need a new card from your Medicare Part D prescription drug plan to buy most of your medications.

## **When can I enroll in Medicare Part D?**

Every year, anyone with Medicare can enroll or change plans during the **annual enrollment period**: November 15 – December 31. Other times you can enroll or change plans, will depend on your benefits and your situation:

**If you have Medicare and Medicaid**, you can enroll and change into plans **at any time**.

Everyone has an **initial enrollment period** to enroll in a Part D plan when they first become eligible for Medicare. This period overlaps with the initial enrollment period for Medicare Part B: three months before your Medicare begins, the month your Medicare begins and three months after (a total of 7 months). If you receive Medicare retroactively, you can enroll in a Part D plan the month you receive notice of retroactive enrollment and the two months following.

Other **special enrollment periods** may exist depending on your situation. For example, there is a special enrollment period if you move to a different state or involuntarily lose drug coverage from a private insurer. For more information on these enrollment periods, contact a helpline listed below.

Medicare Part D drug coverage usually begins the month after you enroll. **If you wait** to enroll **you may have to pay a higher monthly premium for the benefit** as a penalty for late enrollment.

## **How do I enroll in Medicare Part D?**

You must first choose a prescription drug plan that best meets your needs based on the drugs you are currently taking and the pharmacies you can go to for your drugs.

You can enroll in Medicare Part D by contacting the plan you choose directly (either over the phone, over the internet, or by mail). You can also enroll with 1(800)MEDICARE (633-4227) or at [www.medicare.gov](http://www.medicare.gov).

## **Is there \*free\* HELP available to help me choose my drug plan or help me decide whether I should enroll in Medicare Part D?**

- If you are a person with a **disability** and under age 60, you can call the Disability Drug Benefit Helpline at: 1(800) 926-4862
- If you are **age 60 or older**:
  - you can contact your county benefits specialist or
  - call the Prescription Drug Helpline at: 1(866) 456-8211
- If you have access to the **internet**, you can go to [www.medicare.gov](http://www.medicare.gov) for a tool to help you choose a drug plan.

You will need to know what prescription drugs you are taking before you call or go to the websites above for help choosing a drug plan. You can always call with general questions.

## How much will a Medicare Part D prescription drug plan cost?

Generally, you have to pay a monthly premium, annual deductible, and co-payments for each prescription to receive your drugs through a Part D prescription drug plan.

These costs can be **reduced** for Medicare beneficiaries with lower income. In order to qualify for extra help to pay for your Medicare Part D plan, Social Security must decide if you should receive a **low income subsidy**. Anyone with Medicare can apply for the help. Contact your local Social Security office for an application. If you apply for extra help, you must still choose a drug plan to enroll in Part D.

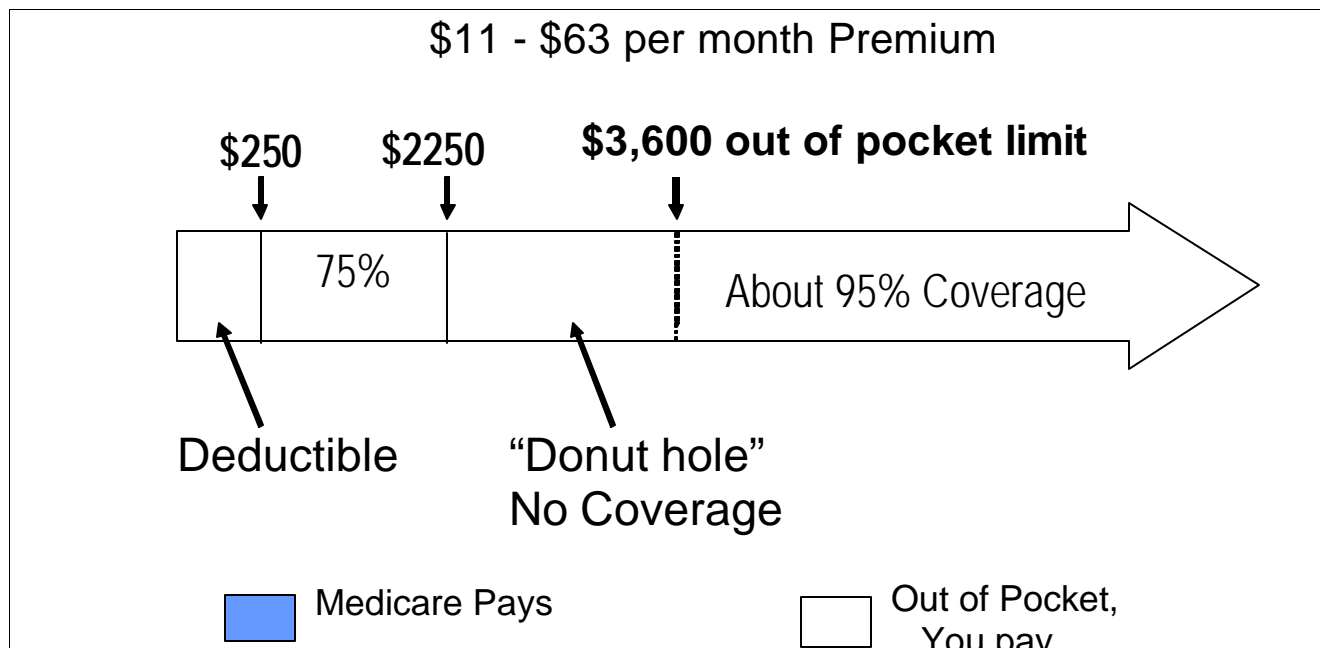
If you have Medicare and Medicaid (Medical Assistance) or if you are enrolled in a Medicare Buy-in Program (QMB, SLMB, QI), you do not need to apply. You should automatically receive this help.

## How much will my Medicare Part D prescription drug plan cost if I don't qualify for a "low income subsidy" and I don't have Medicaid?

On average, each year most people (who don't get a subsidy or "extra help") will pay:

- a monthly premium of about \$11 - \$63 per month,
- a \$250 deductible (you pay 100% of your drug costs until the costs reach \$250),
- Once you have paid the \$250 deductible, you will pay about 25% of your drug costs until the total cost of your drugs - what you pay and what Medicare pays - reaches about \$2,250 (the initial coverage limit).
- After you reach the initial coverage limit, you pay 100% of your drug costs until your total out of pocket spending reaches \$3,600 in 2006. (This is often called the "donut hole" in the benefit.)
- Once your total out of pocket spending reaches \$3,600 in 2006, you pay for about 5% of your drug costs or \$2 - \$5 for each prescription. (This usually happens once total drug costs - what you pay and what Medicare pays - reach \$5,100).

## Standard Prescription Drug Benefit



Please note: many Medicare Part D plans vary from this standard benefit. Some drug plans have no (\$0) deductible or a reduced deductible. Some plans have a different initial coverage limit that is higher than \$2,250 total drug costs. Some plans cover some prescriptions in the coverage gap. All drug plans have about 95% coverage or \$2-\$5 co-pays once your out of pocket spending reaches \$3,600 in 2006.

**How much will my Medicare Part D prescription drug plan cost if...**

- **I have Medicare and Medicaid (Medical Assistance) or**
- **I am enrolled in a Medicare Buy-in Program (QMB, SLMB)?**

**You will pay \$0-\$5 for each prescription**, depending on your income and circumstances. There is no monthly cap on these co-payments. You will have **no monthly premiums and no deductible** in certain low cost plans. If you choose a higher cost plan, you will pay a reduced monthly premium for that plan. Once the total costs for your drugs for the year - what you pay and what Medicare pays - reaches about \$5,100, you will have no co-payments for your drugs.

**You do not need to apply** for “Extra Help” with Social Security. You should automatically receive help paying for your drug plan.

**If you have Medicaid**, you are supposed to be randomly enrolled into a drug plan. The plan is supposed to be effective when you first become eligible for Medicare so that you will have no gap in coverage. However, we recommend that you **choose a drug plan** that works best for you and covers most if not all of your drugs. We have found that many newly eligible Medicare beneficiaries do not have a plan in place when they need it. If you do not have a Medicare Part D plan when you first become eligible for Medicare, you may lose coverage for most of your prescriptions.

If you have Medicaid, you can change your drug plan at any time.

**How much will my Medicare Part D prescription drug plan cost if I apply for and receive “extra help” from Social Security to pay for my Part D drug plan?**

It depends on your income and resources.

Social Security calculates your **income** differently depending on how you receive income. (If you receive wages, for example, only about 50% of your income is counted.) Social Security only counts **resources** you have available as “cash” – your savings, retirement, and checking accounts, for example. The home you live in, your valuable possessions (jewelry, furnishings, etc.), and any automobiles you own are not counted. Because these calculations are complicated, we strongly recommend applying even if your income or assets are slightly over the limits below.

If you have **very low income and few resources** (a maximum of about \$1,122 a month and \$7,500 in resources for a single person in 2006):

- You will pay \$1-\$5 for each prescription.
- Once the total costs for your drugs - what you pay and what Medicare pays - reaches about \$5,100, you will have no co-payments for your drugs.

- You will have no monthly premiums and no deductible if you choose a low cost plan. If you choose a higher cost plan, you will pay a reduced monthly premium for that plan.

If you have slightly **higher income and resources** (not more than about \$1,245 a month and \$11,500 in resources for a single person in 2006), you will pay:

- Reduced monthly premiums on a sliding scale,
- a \$50 deductible,
- 15% co-payments until the total costs for your drugs - what you pay and what Medicare pays - reaches about \$5,100.
- Then you will pay about 5% of your drug costs or \$2-\$5 for each prescription.

Anyone with Medicare can apply for extra help. Contact your local Social Security office for an application or apply online at [www.ssa.gov](http://www.ssa.gov) (it is usually faster to apply online). If you think you might qualify or aren't sure, apply.

Even if you are granted "extra help" to pay for your drug plan, **you should still choose a drug plan** that works best for you.

### **What if I already have prescription drug coverage?**

If you already have prescription drug coverage under a private plan (retiree plans or employer plans), depending on how much Medicare Part D will cost for you, you may not want to enroll in Medicare Part D right now. You should know that:

1. Your drug coverage under your current plan **may be changing**.
2. You may have a **higher monthly premium** if you want to enroll in Part D later. This increases each month you are eligible for Part D, not enrolled in Part D and do not have "creditable coverage." "Creditable coverage" means an insurance plan has been determined to be as good as or better than Medicare Part D.

**You should contact your current drug plan and find out:** Will your drug coverage continue in 2006/2007? If your drug coverage continues, is it "creditable coverage"? How will it work with Medicare Part D?

If your drug plan is "creditable," you should ask your plan to send you a notice showing the coverage is "creditable" and keep this for your records in case you want to later enroll in a Medicare Part D prescription drug plan.

You can also call a helpline with questions listed on page 2 of this guide.

### **What if I need a Drug that is not covered by my Part D Prescription Drug Plan?**

Each drug plan will have a list of drugs it covers, called a "formulary." You can get drugs normally not covered by your plan by requesting an "exception" to the drug plan's list of covered drugs. (You can also get drugs reduced to a lower co-payment through the exceptions process if you are paying a higher price for your drug but you cannot afford it and the medication is medically necessary).

You should request an exception directly from your drug plan (not from your pharmacist). Your drug plan usually must cover your medication if your doctor can show it is medically necessary and other drugs on the list of drugs your plan covers are not as effective or are harmful to you. To find out more about this process, call one of the helplines on page 2.

You should know that there are **extra protections** for anti-psychotic, anti-depressant, anti-convulsant (seizure medications), anti-retroviral (HIV), anti-neoplastics (cancer), and immunosuppressant medications. Medicare Part D Drug plans should cover most or all of these drugs.

There are some drugs that standard Medicare Part D prescription drug plans can not cover – these drugs are **excluded** from Medicare Part D. These include benzodiazepines and barbiturates (anti-anxiety/seizure medications), prescription vitamins, weight control drugs, and Medicare Part B drugs. Medicare Part B drugs are often given to you by a physician or require some type of medical equipment, like a syringe or an inhaler. However, diabetes medicines (insulin) and supplies will be covered by Medicare Part D prescription drug plans.

**If you have Medicaid**, Medicaid will cover excluded drugs that standard Medicare Part D prescription drug plans can not cover - in the same way they were covered before. Medicaid will not cover drugs that *could* be covered by your Part D prescription drug plan (even if they are not on your plan's list of drugs they cover).

### **Can my plan change the drugs that are on the list of covered drugs?**

If you are currently taking a drug and it is removed from the plan's drug list, the plan must continue to cover the medication as they did before until the end of the year. Next year, you may have to find a different plan that covers your medication or try to get an exception so the plan continues to cover the medication for you.

If you are not currently taking the drug the plan is not required to notify you. Therefore, each time you are prescribed a new drug you and your doctor should consult your plan and make sure the drug is covered.

### **Still confused? Here are those Helpline numbers again:**

- If you are a person with a **disability** and under age 60, you can call the Disability Drug Benefit Helpline at: 1(800) 926-4862
- If you are **age 60 or older**:
  - you can contact your county benefits specialist or
  - call the Prescription Drug Helpline at: 1(866) 456-8211