



## Medicare Prescription Drug Benefits

In 2006, Medicare began providing an optional outpatient prescription drug benefit. If you did not enroll – it is not too late! From **October 15<sup>th</sup>** – **December 7<sup>th</sup>** of this year, all Medicare beneficiaries – whether you had benefits this year or not – can participate in the “Annual Election Period.” If you currently have a Medicare-approved drug plan (“Part D”), a Medicare Advantage health plan, or traditional Medicare, you should compare the privately administered drug and/or health plans being offered for 2012 to ensure you have the best plan to cover your specific needs.

If you currently have an affordable drug benefit and your coverage is as good or better than the basic Medicare drug benefit (called “creditable” coverage), you will most likely want to stay with your existing plan (e.g. retiree benefits, VA, Tricare). This is especially true if you do not have to contribute to the premium cost of your retiree coverage.

The following questions can help you make decisions about Medicare-approved drug plans:

**1. Do you want your Medicare drug benefit administered by a “stand-alone” Part D drug plan so that you can keep traditional Medicare?**

If you are enrolled in traditional Medicare with Part A and/or B (you have a red, white, and blue card) and want to keep traditional Medicare, you will need to choose a stand-alone drug plan (Medicare Part D) in order to receive the prescription drug benefit. If you have a Medigap policy (Medicare supplement), the Part D plan that you choose does NOT have to be from the same insurance company that provides your supplement. In addition, the plan that is best for *you* may not be the best plan *for your spouse*.

**2. Do you want your Medicare drug benefit to be incorporated into a Medicare Advantage Plan?**

Medicare Advantage plans – also known as Medicare Part C – include Part A and B benefits and even some “extras.” However, Medicare Advantage (MA) plans pay for services using different methods than traditional Medicare, and some providers and institutions may not accept the payment terms of your Medicare Advantage plan. These MA plans are *privately* administered managed care plans (HMO or PPO) or Private Fee For Service plans (PFFS). You may or may not receive your prescription drug benefit from your Medicare Advantage plan. If your MA plan does NOT include prescription drug coverage, you may be able to enroll in a stand-alone drug plan during the annual election period. PLEASE NOTE: Medicare supplements (Medigap policies) do not work with Medicare Advantage plans; Medicare supplements are designed to fill in the gaps in medical coverage of *traditional* Medicare.

**3. Am I eligible for financial assistance from the government to help with some of my drug costs?**

If you have gross annual income at or below \$16,335/individual or \$22,065/couple (married and living together); and cash resources at or below \$12,640/individual or \$25,260/couple; you may be eligible for financial assistance from the federal government. Income amounts may be higher if you work and/or financially support a relative (other than your spouse) who lives with you. If you have Medicare and Medicaid, OR the State pays your Medicare Part B premium (assistance called “Medicare Qualified Beneficiary” or “MQB”), you automatically qualify for this financial assistance and do NOT need to fill out a “low-income subsidy”/“extra help” application. To apply for this financial assistance, contact Senior PharmAssist, Social Security, or the NC Seniors’ Health Insurance Information Program (SHIIP). This application can be completed at any time.

A state-sponsored program called **CheckMeds NC** encourages seniors age 65 and older to meet with a pharmacist to review all of his/her medications (prescription, over-the-counter, and herbal). The pharmacist should work with a senior’s doctors to ensure that medicines are used as safely, effectively, and cost-effectively as possible. Senior PharmAssist participates with CheckMeds NC.

**4. Does my pharmacy accept this prescription drug plan?**

Make sure that your pharmacy accepts the plan you choose (“network” pharmacy). Most pharmacies accept most Part D drug plans and some “preferred” pharmacies offer steeper discounts with certain plans. Some plans offer mail-order services, but they are not always less expensive. Also, if you opt for a Medicare Advantage

plan, then you need to make sure that your pharmacy and other providers participate “in-network” with the plan you choose.

**5. What plans cover my medications and at what cost?**

Each plan provides a list of medications they cover (formulary) and information about what you will pay for these medications (co-payments). Using the Medicare website to compare plans (“drug plan finder tool” at [www.medicare.gov](http://www.medicare.gov)) is the **ONLY** way to determine which plan is best for you. The Medicare website helps compare monthly premiums, annual deductible amounts, co-payments, what medications are covered, and alerts you to any restrictions that your insurer may have on the medications you need. Many of these factors will change for 2012, so it pays to compare; you could possibly save hundreds or thousands of dollars a year.

**6. Are there penalties if I don’t join?**

In general, for every month that you have been without creditable drug coverage since June 2006 or when you first became eligible for Medicare, you may have to pay a penalty. The penalty is added to your monthly drug benefit premium and is equal to 1% per month that you did not have creditable coverage and is based on the national average basic premium. The longer you wait, the more costly the monthly penalty. If you have creditable coverage, you are protected from later penalties as long as you enroll in Medicare D soon after losing your creditable coverage.

Although the Medicare website will not reflect your penalty payments, the late enrollment penalty should be collected by your Part D plan. Also, for people with incomes above \$85,000/single or \$170,000/couple, you will be required to pay more in premiums for your Part D benefit; this will be deducted from your Social Security.

**7. What can Senior PharmAssist do to help?**

Senior PharmAssist helps Durham County residents apply for the low-income subsidies from the federal and state government. We also help any Medicare beneficiary – regardless of age or income – select a Medicare-approved drug plan that best suits his or her medication needs. In addition, Senior PharmAssist offers financial assistance by helping fill in the gaps that Medicare drug plans do not cover. Durham County residents age 60 and older who have no prescription coverage OR who have a Medicare drug plan may qualify for direct financial assistance based on the following guidelines:

\$ Senior PharmAssist’s gross annual income limits to help *pay for medications* are:

- at or below \$21,780/individual (\$1,815/month) or
- at or below \$29,420/couple (\$2,452/month).

**Important Contact Information**

Medicare (Center for Medicare & Medicaid Services or CMS)	1-800-633-4227 or <a href="http://www.medicare.gov">www.medicare.gov</a> “Health & Drug Plans”
Seniors’ Health Insurance Information Program (NC SHIIP)	Call 1-800-443-9354 <u>to work with someone by phone.</u> <u>To set up a face-to-face appointment in Durham:</u> Call Senior PharmAssist at 688-4772.
Good general Medicare overview	<a href="http://www.mymedicarematters.org">www.mymedicarematters.org</a>
Social Security Administration	1-800-772-1213
Durham Dept. of Social Services – Adult Medicaid	919-560-8000, 300 N. Duke St., Durham. Contact to apply for or to ask questions about Medicaid or MQB.
Senior PharmAssist	<u>Call for appointment if you live in Durham:</u> 919-688-4772 406 Rigsbee Avenue, Suite 201, Durham, NC 27701 <a href="http://www.seniorpharmassist.org">www.seniorpharmassist.org</a>