

What is the Medicare Prescription Drug Plan?

The Medicare Prescription Drug Plan is a voluntary prescription drug plan that provides beneficiaries with assistance paying for prescription drugs. The drug benefit, added to Medicare by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, began in January 2006. To participate, beneficiaries must enroll in one of the many hundreds of Part D plans offered by private companies.

If you currently are enrolled in the Medicare Prescription Drug Plan, you should review your plan each year to ensure you have the plan that best works for you. The Annual Open Enrollment Period for Part D runs from November 15 – December 31. During this period, you can switch to a different Medicare drug plan if your needs change.

Should I participate in the Medicare Prescription Drug Plan?

Whether or not to participate is a personal decision. However, before you make your decision, we suggest you take into account that CHAMPVA likely offers a more cost effective benefit than the Medicare Prescription Drug Plan, with no additional monthly premiums.

What are the cost differences between the Medicare Prescription Drug Coverage and CHAMPVA?

	Medicare Part D Only	CHAMPVA Only
Cost to enroll (premiums)	\$444 per year (approx.) depending on the plan	\$0
Catastrophic cap (Your maximum out-of-pocket expenses)	\$3600 per year and then the greater of \$2.15 for generics, \$5.35 for brand name drugs or 5%.	\$3000 per year (this includes prescriptions and all other approved medical expenses, and once the catastrophic cap is met, CHAMPVA pays 100% of the allowable)

What are the Medicare Prescription Drug Plan deductibles and copayments for the standard drug benefit and what will I pay?

Your Medicare deductibles and copayments for 2007 are estimated to be:

- The first \$265,
- 25% of total drug costs between \$265 and \$2,400, and

- 100% of total drug costs between \$2,400 and \$5,451.25, and
- The greater of: \$2.15 for generics, \$5.35 for brand drugs, or 5% coinsurance after \$5,451.25 in total drug costs.

The Medicare Prescription Drug Plan is considered Other Health Insurance (OHI) and will pay first. CHAMPVA will then reimburse your copayments up to 75% of the CHAMPVA allowable amount for prescriptions. You will then be responsible for any costs not covered by Medicare and CHAMPVA.

Can I enroll in the Medicare Prescription Drug Plan and still have CHAMPVA coverage for prescriptions?

Yes. Keep in mind that you may have Medicare Prescription Drug Plan enrollment costs. Medicare will be your primary prescription coverage and CHAMPVA will pay as secondary coverage.

If I am enrolled in the Medicare Drug Coverage Plan, can I also participate in the CHAMPVA Meds by Mail Program?

No. Enrollment in the CHAMPVA Meds by Mail Program is available only for those who do not have any other prescription drug coverage. If you currently are enrolled in Meds by Mail and elect the Medicare Drug Coverage Plan, you will no longer be eligible for Meds by Mail and must obtain the prescriptions through the pharmacies authorized by the Medicare Drug Coverage Plan.

How do I get more information on the Medicare Prescription Drug Coverage, such as eligibility, enrollment, and extra help information?

Medicare

- Mail: U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850
- Phone: 1-800-MEDICARE (1-800-633-4227)
- Website: www.medicare.gov

CHAMPVA

- Mail: VA Health Administration Center
CHAMPVA
PO Box 469063
Denver, CO 80246-9063
- Phone: 1-800-733-8387
Monday-Friday
- Email: To contact us by email, please go to this web link and follow the directions for submitting secure email: <http://www.va.gov/hac/contact>
- Website: www.va.gov/hac