

## **Senator Lieberman's Guide to Medicare Part D**

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### **Explanation of the drug benefit:**

On January 1, 2006, Medicare began its new drug benefit plan called Medicare Part D that provides drug coverage through private companies and that will help you pay for your prescription drugs. Everyone with Medicare is eligible for this coverage, regardless of income, resources, health or prescription status. Over 24 million Medicare beneficiaries were enrolled in the program in 2007.

There are many factors to take into consideration about the Part D program and these will vary depending on if you are a new or existing Medicare patient. Common considerations are whether or not you have prescription drug coverage now, how much you spend on prescriptions each year, and how much you think you might spend in the future. We encourage you and your loved ones to look at the information we have put together. If you have visited this site in the past, we suggest you read through this material as updates have been made where appropriate.

### **Medicare Part D Description:**

The Medicare Part D drug benefit plan acts as a type of insurance for seniors, who may not be able to anticipate or pay for the high cost of their medicine. Medicare is working with private insurance and other companies to bring a variety of plans to you.

Just like some insurance policies, you will have payment obligations. For Part D you will have to pay an insurance premium each month, an annual deductible, and part of the costs of your drug. How much you pay out-of-pocket will depend on the plan you choose.

### **Picking a Prescription Drug Plan (PDP):**

There are 51 Prescription Drug Plans (PDPs) in Connecticut that you can choose from in 2008. It can be confusing to understand the differences between all of

the plans and to figure out what is the best choice for you. Here are some things to keep in mind when you are making your decision:

1. Look at the drug coverage you have right now. What does it cover? Compare the coverage you are getting now to each of the drug benefit plans.
2. Make a list of all the drugs you take. Write down their names, dosages, and how much they cost each month. Having this list ready will make it easier when you are looking at which drugs plans cover.
3. Now compare your drug lists to what is covered by a prescription drug plan. Are they there? If they are not, you are unlikely to ever get them if you select this plan.
4. Compare how much you pay for drugs now and how much you will save by participating in the new prescription drug program. You should be saving money, think you will save money down the road, or want to insure yourself against medical catastrophe to justify participation in your selected plan.
5. If you need some help, visit the [Connecticut Department of Social Services](#)' web site.

Be sure to examine the mailings that have been sent to your home each summer and fall. They include important information on the drug benefit plan, what plans in your community might look like, and what kind of benefits you can expect.

#### **Information for those enrolled in ConnPACE:**

1. You should receive mailings from both ConnPACE and Medicare. Some of you will also receive information from Social Security.
2. You must enroll in a Medicare Part D PDP by the annual December 31<sup>st</sup> deadline to ensure continued coverage by ConnPACE the following year.
3. ConnPACE will pay your Medicare Part D premium and assist with co-payment costs as long as you are enrolled in ConnPACE.

#### **Key Points about Medicare Part D:**

##### **For New Patients:**

- You may sign up for Part D three months before the month you turn 65 and up to three months after you turn 65. You may pay a penalty if you do not sign up when you become eligible and your next opportunity to sign up will be between November 15 and December 31 of that year.
- If you have health insurance with prescription coverage from a former employer that is at least as comprehensive as the new Part D program, then you can delay signing up for Part D without penalty. Call your healthcare provider to find out if this is the case. Also, ask if your

employer plans to make any changes to your drug coverage now that Part D coverage is available.

- If you are a Medicaid recipient, you must choose a Medicare Part D plan that best meets your needs. If you do not choose a plan by December 31 of the current year, you will automatically be randomly assigned to a PDP.
- If you have limited income and resources and do not have Medicaid, you may be eligible for the Low-Income Subsidy through the Social Security Administration, which helps pay Part D premiums, annual deductibles, and co-payments.
- Picking a PDP is complicated. Get your doctor involved! They know what medicines you need and which medications can be replaced. Also, some pharmacies have tools to find the best PDP based on the medications you are taking.

#### **For Existing Patients:**

- The Part D Open Enrollment Period occurs annually between November 15<sup>th</sup> and December 31<sup>st</sup>. Enrolling during this period ensures that you will be covered under your chosen PDP effective January 1<sup>st</sup> of the approaching year.
- Your current PDP may have changed in the following ways: monthly premium, annual deductible, and co-payment costs, and the list of drugs covered, also known as a formulary. It is important to compare your current plan with other plans annually. There are several tools online or at various pharmacies that can assist you with the comparison process. If you choose to stay with the same plan you do not have to do anything because you will automatically be re-enrolled.
- If you are in a Medicare Advantage Plan you can also choose to switch plans during the Part D Open Enrollment Period from November 15 through December 31 of the current year.

#### **Frequently Asked Questions:**

##### **Q: How long do I have to choose a PDP?**

A: When Part D began in 2006 there was a longer period in which one could enroll, however, since then the annual Medicare Prescription Drug Open Enrollment period has been, and will continue to be, between November 15<sup>th</sup> and December 31<sup>st</sup> of the current year in order to ensure coverage starting January 1<sup>st</sup> of the approaching year.

If you are new to Medicare or approaching the age of 65, you are allowed to enroll in a PDP three months before the month of your 65<sup>th</sup> birthday and three months after the month of your 65<sup>th</sup> birthday. If you do not enroll in this time period and you do not have existing creditable coverage (e.g. through an employer) you will incur a penalty of approximately 1% of a base premium for each month not enrolled. In addition, you will not be eligible to enroll again until the annual Prescription Drug Open Enrollment period between November 15<sup>th</sup> and December 31<sup>st</sup> of the given year.

**Q: How do I get the drug benefit?**

A: You will sign up for a private plan that will be provided in your area. There are currently 51 plans to choose from in Connecticut. The Medicare website has a chart that compares these 51 plans based on the monthly premiums, annual deductibles, etc.

**Q: I don't make that much money. Can I get any financial help?**

A: If your assets are less than \$11,710 (single) or \$23,410 (married) and your income is limited, you may qualify for the Low Income Subsidy or "Extra Help Benefit." These limits will change each year and the numbers above reflect 2007 limits. If you qualify, the Social Security Administration will help pay for your monthly premiums, annual deductible, and co-payments.

You will need to apply for financial assistance by submitting an application to the Social Security Administration. You can [visit their website](#) or call a counselor at: 1-800-772-1213 (TTY users: 1-800-325-0778).

REMEMBER that even if you are low-income, you still have to sign up for a PDP in order to be considered for the Low Income Subsidy.

**Q: How are assets counted?**

A: Assets include anything you can convert to cash in 20 days, such as your bank account, savings accounts, investments, retirement accounts, and real estate (other than your house). Talk to a Social Security Administration counselor at 1-800-772-1213 (TTY users: 1-800-325-0778) if you have more specific questions.

**Q: How can I get help from the Social Security Administration?**

A: The Social Security Administration is responsible for helping identify people with low-incomes that are eligible for the drug benefit plan. They will help determine if you qualify for additional help. You can call the Social Security Administration at: 1-800-772-1213 (TTY users: 1-800-325-0778). They have support counselors ready to answer your questions.

**Q: How are the plans different?**

A: The PDPs will cost different amounts and will not offer the same benefits. Different PDPs will cover different drugs and at different costs. Make sure that

whichever PDP you choose, it covers the essential drugs you are taking. Be aware that the PDPs can change what drugs they cover. Also, if you choose to purchase a drug that is not covered by your PDP, you cannot apply the money you spent towards your annual deductible and out-of-pocket limit.

**Q: What if I have Medicaid?**

A: Seniors who are eligible for Medicaid, will now receive their drug benefits through the Medicaid Part D drug benefit program. People that are Medicaid eligible will be automatically enrolled in a plan after the December 31st deadline if they have not chosen a plan already. They will not have to pay a deductible or premium and should not have any gaps in their coverage.

**Q: What is the “doughnut hole” or coverage gap?**

A: This is the gap in coverage you might experience if your costs reach an initial coverage limit. This limit will generally be \$2,510 in 2008. After you reach the designated coverage limit, you will be responsible for paying 100% of your prescription costs, unless your particular PDP offers coverage during this gap. This gap continues until your total costs reach the “catastrophic benefit” limit, which will be no more than \$4,050 in 2008, after which you will pay a coinsurance amount (approximately 5% of drug costs) or a co-payment (\$2.25 for generic drugs & \$5.60 for brand name drugs).

**Q: What will the drug benefit cost?**

A: In general, monthly premiums will be approximately \$35 per month, but this will vary depending on your PDP and the particular year. Deductibles will also change each year. In 2008, no plan may have a deductible higher than \$275 and some have no deductible at all.

Taking the coverage gap into consideration, an idea of your expected out-of-pocket drug costs (excluding your monthly premium) and savings in 2008 might be:

<b>What you spend each year on drugs</b>	<b>What you will pay</b>	<b>What the most you will pay is</b>	<b>Total costs for the year without the monthly premium</b>
\$0 - \$275	100%	\$275	\$275
\$276-\$2,510	25%	\$558.50	\$837.50
\$2,511-\$5,726.25	100%	\$3,215.25	\$4,048.75 maximum
More than \$5,100	5%	No limit	\$2.25 for generic drugs & \$5.60 for brand name drugs, <b>OR</b> 5%, whichever is greater

**Q: What do I do if I have employer retiree health coverage that gives me prescription drug benefits already?**

A: If you have employer retiree benefits, check to see if your retiree health plan is at least as comprehensive in its coverage as Medicare (called “creditable coverage”). Medicare is working with employers and unions so they can continue to provide prescription coverage to retirees.

Even if you are covered by a retiree health plan, you can still enroll in the Medicare Part D drug benefit, but consider whether this saves you money or increases your benefit.

Either way, be sure to think about any changes your former employer plans to make regarding drug coverage and to ask them if you are receiving creditable coverage to avoid paying a penalty on a premium if you choose to enroll in Medicare Part D after becoming eligible.

**Q: How does the Medicare Part D affect me if I am in a long-term care facility?**

A: Seniors in long-term care facilities, such as nursing homes and assisted living, will have to be enrolled in the drug plan. Many are eligible for Medicaid and will qualify for the low-income subsidy.

**Q: What special considerations should I have if I am enrolled in a long term care facility, with regards to the new Medicare PDP?**

A: There are several factors that individuals in long-term care facilities and their relatives need to consider before choosing a plan.

1. What is the transition process if a drug that a senior is taking is not covered by a PDP? This involves finding coverage for the temporary use of a drug not covered by a PDP. Any PDP you choose should have a clearly stated transition process.
2. What is the appeals process for a PDP? Be sure to examine how to appeal to the company administering the PDP if you may be taking a drug not currently covered.
3. Does the plan have a process that is specific to long term care patients' needs?
4. Involve your doctor in selecting a PDP. The medicinal regiment of long term care patients is often complicated and drugs are not easily switched.

For more information:

[Center for Medicare and Medicaid Services \(CMS\)](#): Can help you get more information on the Medicare Part D drug benefit, how to choose a plan, and where you can get home help.

Call: 1-800-MEDICARE (1-800-633-4227) TTY users: 1-877-486-2048

[Connecticut State Medicaid Office](#): Can help dual-eligible seniors understand how to make the transition to the Medicare Part D drug benefit.

Call: 1-800-842-1508

[Social Security](#): Can help you determine whether or not you are low-income and qualify for additional financial assistance.

Call: 1-800-772-1213 (TTY users: 1-800-325-0778).

[Connecticut Department of Social Services](#)

[Aging Services Division State Unit on Aging](#)

[CHOICES](#): Can help you get a wide range of services and referrals for seniors.

Call: 1-800-994-9422 (TTY users: 860-842-5424)

Email: [Agingservices.dss@ct.gov](mailto:Agingservices.dss@ct.gov)

[Connecticut Insurance Department](#): Can give you information about insurance plans and costs and they have special resources for seniors.

Call: 1-800-203-3447

[Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled](#)

[\(ConnPACE\)](#): Can help you understand what your choices might be if you are covered by ConnPACE.

800-423-5026 (in-state) or 860-409-4555 (out-of-state)

[Office of Protection and Advocacy for Persons with Disabilities](#): Can provide extra support to protect the legal rights of people with disabilities.

800-842-7303

[Local area aging agencies can be found by](#): Will find resources for older adults in any U.S. community.

Call: 1-800-677-1116

[AARP](#):

Call: 1-888-OUR-AARP (1-888-687-2277)

[Medicare Rights Center](#): Provides information on Medicare benefits and specifically the Medicare Part D drug benefit.

Call: 800-333-4114

[Medicare Access for Patients – Rx's](#): Provides information on the Medicare Part D drug benefit.