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What you can do right now to make an informed decision about Medicare prescription drug coverage.

- Gather information about your current coverage for health care and prescription drugs. Make sure you know what coverage you have now.
- Gather information about the drugs you use, including their names and dosages. Think about other things that matter to you about coverage, like whether you want more protection if your drug needs change, or whether you want coverage that has a lower premium. This will help you compare plans later.
- Remember the key Medicare dates.
- Apply for extra help if you think you might qualify.
- Watch for the *Medicare & You* handbook arriving in your mail in October. Read it carefully and talk about this new coverage with people you know and trust.

Need more information? Help is available.

Medicare is working with people and organizations at the local level to help you understand the new prescription drug coverage and the various plan options available in your community. Look for information about events in your local newspaper or listen for information on the radio. You can also get personalized counseling by calling your State Health Insurance Assistance Program or local office on aging. For the telephone number of your local office on aging, visit *www.eldercare.gov*.

Remember: You must sign up for coverage to begin.

Once you feel comfortable that you have all the information you need to make a decision, it's time to act. *You must join for coverage to begin.* You can do it as early as November 15, 2005 for coverage beginning January 1, 2006. Sign up by December 31, 2005 and you won't miss a day of coverage. The sooner you join, the sooner your coverage will begin. Got a question? Need someone to walk you through it? Call *1-800-MEDICARE* any time day or night. Or visit *medicare.gov* on the web. We're here to help.

What Medicare Prescription Drug Coverage Means to You

A Guide to Getting Started

MedicareRx
Prescription Drug Coverage

Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore MD 21244-1850

CMS Pub. No. 11146

What Medicare Prescription Drug Coverage Means to You

A Guide to Getting Started

INTRODUCING

MedicareRx
Prescription Drug Coverage

With new prescription drug coverage, Medicare now covers more than ever.

After 40 years of providing dependable coverage for doctor visits, hospital stays, and life-saving surgeries, Medicare now covers new preventive screenings and offers dependable coverage for prescription drugs.

Everyone with Medicare is eligible for this coverage, regardless of income and resources, health status, or current prescription expenses.

How the coverage helps.

Medicare prescription drug coverage is insurance that covers both brand-name and generic prescription drugs at participating pharmacies in your area. A typical person with Medicare and no drug coverage could see total drug costs drop by about 50%. Should prescription drug costs dramatically increase, Medicare will pay up to 95% of these costs after you spend $3,600 out-of-pocket in a year.

Extra help is available for people with limited income and resources. See the *"extra help"* section inside this brochure.

Even if you do not take a lot of prescription drugs now, it's still good to consider joining. As we age, most people need prescription drugs to stay healthy. Signing up for Medicare prescription drug coverage today can protect you from very high prescription drug bills in the future.

IMPORTANT: Medicare prescription drug coverage does not include the following: doctor samples, discount cards, Medicare-approved discount cards with or without the $600 credit, free clinics, and drug discount websites.

Treatment. Preventive care. *And now prescriptions.* It's all coming together.

How will Medicare prescription drug coverage affect you?

Here's what you need to know to get started.

Private companies will offer Medicare prescription drug coverage starting January 1, 2006. The decisions you make depend on what kind of health care coverage you have now.

Look at the five different statements printed to the right and select the one that best describes you. Then read the text to learn what changes, if any, you can expect with this new coverage, and what decisions, if any, you will have to make.

If you have limited income and resources, extra help may be available to help you pay for your coverage. Look for the *"extra help"* section on the right-hand page of this brochure to see if you qualify.

Joining a Medicare plan that covers prescription drugs is voluntary. If you want coverage, you must choose to join a plan to receive it. You can join as early as November 15, 2005 for coverage starting January 1, 2006. **Just like other insurance, if you choose not to join when you are first eligible and later change your mind, you may have to pay a late enrollment penalty.**

If you have any questions, call *1-800-MEDICARE* or visit *www.medicare.gov*. We can also tell you how to get personalized counseling in your area from your State Health Insurance Assistance Program, local office on aging, and other organizations. The phone number of your local office on aging is also available at www.eldercare.gov.

If you have any questions, *call 1-800-MEDICARE any time, day or night.* We're glad to help.

To get started, find the statement that describes you.

"I have Original Medicare only, or Original Medicare and a Medigap ('Supplement') Policy *without* drug coverage."

If you use an average amount of prescription drugs, Medicare's new prescription drug coverage could pay over half of your drug costs next year. If you have very high drug costs, Medicare will pay up to 95% of these costs after you spend $3,600 out-of-pocket in a year.

What you need to do: To get this drug coverage, you can join a Medicare Prescription Drug Plan that covers prescription drugs only and keep your Original Medicare coverage the way it is. Or you can join a Medicare Advantage Plan or other Medicare Health Plan that covers doctor and hospital care as well as prescriptions. Medicare Advantage Plans usually give you extra benefits and/or lower costs, but only if you use the doctors and hospitals that participate in the plan's "network." If you do not opt for prescription drug coverage by May 15, 2006, you will have to pay a late enrollment penalty to get drug coverage later.

"I have Original Medicare and a Medigap ('Supplement') Policy *with* drug coverage."

Medicare prescription drug coverage will generally provide significant savings compared to what you are paying in copayments for drugs under your Medigap plan, and will generally provide much better protection against high drug expenses as well.

What you need to do: Decide between keeping your Medigap policy with drug coverage or joining a Medicare plan that offers prescription coverage. Look for more information from Medicare and the plans offering drug coverage in your area in the fall, and compare the drug coverage from your Medigap plan to the new Medicare coverage. Unlike Medigap, most of the cost of Medicare drug coverage is paid by Medicare, and will never run out if you have high drug costs. Also, if you do not join a Medicare Drug Plan or a Medicare Advantage Plan that offers prescription drug coverage by May 15, 2006, you will have to pay a late enrollment penalty to get drug coverage later. If you opt for Medicare prescription drug coverage, tell your insurer and the drug portion of your Medigap policy will be removed.

1-800-MEDICARE (1-800-633-4227) **TTY 1-877-486-2048**

"I am a retiree and I have drug coverage through my (or my spouse's) former employer or union."

Medicare will help employers or unions continue to provide retiree drug coverage that meets Medicare's standard. Your former employer or union has choices about how they will work with Medicare.

What you need to do: Look for information coming from your former employer or union this fall. This information will explain how they will work with Medicare on prescription drug coverage and what decisions you will have to make. If you do not hear from them, visit their website or call your benefits administrator.

"I have a Medicare Advantage Plan (like an HMO or PPO) or other Medicare Health Plan."

Medicare is working with Medicare Advantage and other Medicare Health Plans to help them provide even more coverage and/or lower costs. Your plan will let you know about the prescription drug options they will offer. You can also choose to switch to another Medicare Advantage Plan or Medicare Health Plan. Or you could choose the Original Medicare Plan and join a Medicare Prescription Drug Plan.

What you need to do: In October, look for information in the mail explaining any additional prescription drug coverage your plan will offer.

"I have Medicare and Medicaid, and I get my drug coverage from Medicaid."

Starting January 1, 2006, you will get your prescription drug coverage from Medicare instead of Medicaid. The prescription drug coverage from Medicare has no premiums, no deductibles, and no gaps, and you will pay very little or nothing for almost all prescriptions.

What you need to do: Starting in the fall, you will need to decide which Medicare plan that offers prescription drug coverage you would like. If you do not sign up for a plan, Medicare will sign you up for one to make sure you do not miss a day of coverage. You can switch to a different plan if you choose.

www. medicare.gov

Extra help for people with limited income and resources.*

Almost 1 in 3 people with Medicare will qualify for extra help that will cover between 85% and almost 100% of the costs of their drugs. Most people who are eligible for this extra help will pay no premiums, no deductibles, and no more than $5 for each prescription.

The amount of extra help will be based on income and resources (including savings and stocks, but not counting your home or car.) You may qualify if your resources are less than $11,500 if you are single, or $23,000 if you are married and living with your spouse.

What you need to do: People who may qualify will receive an application in the mail this summer from the Social Security Administration. Or you can call 1-800-SSA-1213 for more information. If you think you may qualify, you should apply. *Complete the application as soon as possible.* If you qualify, you will need to join a plan this fall for your coverage to start January 1, 2006. This fall, Medicare and the Medicare plans offering drug coverage in your area will send you information, and you'll get help with deciding which plan works for you.

** Rules are different for people living in the territories.*

mark your calendar

Important Dates
for Medicare Prescription Drug Coverage

October 2005
Watch the mail for the *Medicare & You* handbook and for information from plans in your area. And look for community events throughout the fall.

November 15, 2005
First day you can join a plan.

January 1, 2006
Coverage begins for those who join by December 31, 2005.

May 15, 2006
Last day to join a plan offering prescription drug coverage for 2006.

MedicareRx
Prescription Drug Coverage

Questions?
Call 1-800-MEDICARE.
24 hours a day, 7 days a week.
Or visit www.medicare.gov.