



How Medicare Prescription Drug Coverage Works with a **Medicare Advantage Plan** or **Medicare Cost Plan**

Medicare offers prescription drug coverage for everyone with Medicare. This coverage is called “Part D.” To get Medicare drug coverage, you must join a Medicare drug plan. There are two ways to get Medicare prescription drug coverage:

1. Join a Medicare Prescription Drug Plan. These plans (sometimes called “PDPs”) add coverage to Original Medicare, and can be **added** to a Medicare Cost Plan, a Medical Savings Account (MSA) Plan, and to some Medicare Private Fee-for-Service (PFFS) Plans.
2. Join a Medicare Advantage Plan (like an HMO or PPO) or another Medicare health plan (like a Medicare Cost Plan or PFFS plan) that **includes** prescription drug coverage. **You get all of your Medicare coverage (Part A and Part B), including prescription drugs (Part D), through these plans.** These plans are sometimes called “MA-PDs.”

Medicare drug plans are run by insurance companies and other private companies approved by Medicare. Each plan can vary in cost and drugs covered. If you decide not to join a Medicare drug plan when you are first eligible, you may pay a late enrollment penalty if you choose to join later.



Medicare Advantage Plans include the following:

- **Medicare Preferred Provider Organization (PPO) Plans**—You pay less for using plan network providers.
- **Medicare Health Maintenance Organization (HMO) Plans**—You must use network providers for non-emergency care.
- **Medicare Private Fee-for-Service (PFFS) Plans**—You can go to any provider who agrees to treat you.
- **Medicare Medical Savings Account (MSA) Plans**—Money is placed in an account to use for health care before meeting the deductible in a high-deductible plan.
- **Medicare Special Needs Plans (SNP)**—They always include Part D coverage, and you can only enroll if you are a member of the “special needs” population that the plan serves.

If you have prescription drug coverage from a Medicare plan, your benefits may change each year.

- The plan will send you an Evidence of Coverage each year. This document gives you details about what benefits the plan will cover, how much you pay, how to file an appeal, and more.
- The plan will also send you an Annual Notice of Change each fall. This notice has information about any changes in benefits, costs, or service area that will be effective in January of the next year. If the plan covers prescription drugs, the notice will include changes to the formulary of drugs the plan will offer next year. You should review this notice carefully to learn about changes for the upcoming year to decide if you want to look at other plans in your area.

What do you need to know?

- If you are in a Medicare Advantage Plan, you will usually get your Medicare prescription drug coverage from your plan. In most Medicare Advantage Plans, if you want drug coverage and your plan offers it, you must get it from your Medicare Advantage Plan.
- Only some Medicare PFFS Plans offer Medicare prescription drug coverage. If your Medicare PFFS Plan doesn't offer Medicare prescription drug coverage, you can join a Medicare Prescription Drug Plan to add prescription drug coverage.
- Medicare MSA Plans don't cover prescription drugs. If you have a Medicare MSA Plan, you can join a Medicare Prescription Drug Plan to get this coverage.



What do you need to know? (continued)

- If you're in a Medicare Cost Plan that offers Medicare prescription drug coverage, you can still join a separate Medicare Prescription Drug Plan. You will need to decide if you want to get your Medicare prescription drug coverage from the Medicare Cost Plan or from a separate Medicare Prescription Drug Plan.

Other important information

- You can look at other Medicare coverage choices, such as returning to Original Medicare and adding prescription drug coverage.
- Everyone has a chance to join, switch, or drop plans from October 15–December 7 each year. Your coverage will begin on January 1 of the following year.
- If you have limited income and resources, you may qualify for Extra Help paying your Medicare prescription drug costs. For more information on who can get Extra Help with Medicare prescription drug costs and how to apply, call Social Security at 1-800-772-1213, or visit www.socialsecurity.gov. TTY users should call 1-800-325-0778.

How can I get more information?

For more information about your choices, you can do the following:

- Contact your plan.
- Visit www.medicare.gov/find-a-plan to find and compare plans in your area.
- Call 1-800-MEDICARE (1-800-633-4227) to get information about the Medicare plans available in your area. TTY users should call 1-877-486-2048.
- Look at your “Medicare & You” handbook to compare plans in your area.

