The Top Ten Things you need to know about Medicare’s new Prescription Drug Coverage
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For the first time, Medicare is offering insurance coverage on prescription drugs. No matter how much income you have, you may be able to save hundreds or even thousands of dollars on medicines. If you have a low income, there are extra benefits. Even if you have insurance for your medicines now, this program may help you more...

Every person who has Medicare for their health coverage must decide if they want to participate in this new program. If you turn this benefit down during the initial enrollment you may have to pay a higher premium later. After May 15, 2006 there will be limited opportunities to join a program to receive this benefit.

1 – You can enroll starting November 2005.
This fall, each person in Medicare will have the chance to sign up for a new Medicare prescription drug plan. You can enroll between November 15, 2005 and May 15, 2006. If you enroll by December 31, 2005, your benefits will start on January 1, 2006. If you join after that, your benefits will start the first day of the month after the month you join. (For example, if you sign up on February 15, 2006, your benefits will start on March 1, 2006).

If you become eligible for Medicare after January 1, 2006, you can choose a drug plan when you sign up for Medicare.

2 – You decide if this new program is right for you.
No one has to take part, but if you have no coverage for your medicines now, and do not sign up during the initial enrollment period, you may have to pay higher premiums if you enroll later on.

If you have drug coverage through a retiree plan, your spouse’s work, a union, or other program, you may keep that if you wish.

If you decide to keep the plan you have, it is VERY IMPORTANT that you make sure your drug plan covers as much or more than a Medicare drug plan. If it does not, and then later you want to sign up for a Medicare drug plan, you may have to pay higher premiums. In October 2005 you can call Medicare (1-800-633-4227) to see if the plan you have now is as good as a Medicare drug plan. You will also get a notice from your employer or union that tells you if your plan covers as much or more than a Medicare drug plan.

If you have Medicare, but now you get your medicines through Medicaid, you will also be asked to sign up for one of the new Medicare drug plans. If you don’t choose a plan this fall, you will be signed up for the new Medicare drug coverage automatically and a plan will be chosen for you. To learn more call your local Medicaid office or call Medicare (1-800-633-4227). Medicaid will no longer provide prescription drugs for people on Medicare beginning January 1, 2006.

EPIC, Elder Prescription Insurance Coverage from the state of Michigan will also be ending January 1, 2006.
3 – You will have a choice of plans.
Medicare is working to give you a choice of at least two plans. These will be offered by private companies approved by Medicare.

Some plans may offer drug coverage along with benefits for hospitals, doctors, and other health services – all in one package. These are called Medicare Advantage Plans (like HMOs).

There will also be plans that offer just a drug benefit. These drug-only plans can be used along with the Original Medicare Plan.

4 – You may have to pay a monthly premium for this program.
The exact cost will depend upon which plan you choose. Medicare has said that the average premium for 2006 will be about $37 per month per person, but the exact amount has not been set. People with low incomes will not pay this cost.

5 – Every approved plan must have benefits that are the same or better than a standard set by Medicare.
This is the standard plan set by Medicare:

- You pay the first $250 in drug costs each year. This is called the deductible.
- The plan will pay 75% of the next $2,000 in covered prescription drug costs. You must pay the rest – or a 25% co-payment.
- At this point, coverage stops and you must pay 100% of covered drug costs – until you have paid a total of $3,600 in drugs yourself. This is called the out-of-pocket spending amount.
- If you spend more than $3,600 for your medicines, the Medicare drug plan must then pay for 95% of the rest of your covered drug costs for the year. You pay the rest – or a 5% co-payment.
- This process starts over each year.

Remember that any plan may offer you benefits that are better than a standard plan or offer coverage packages that are similar but not quite the same as the standard plan described above. But every plan must offer benefits that are at least as valuable as this standard amount of coverage.

6 – People with low incomes are protected by extra benefits
Some people with a low income will get extra help. If you qualify, you will pay no (or reduced) premiums and deductibles. You will pay only very small co-payments. You also will have no gaps or breaks in coverage.* People with Medicare may sign up for Extra Help through Social Security (1-800-772-1213) or on-line at www.socialsecurity.gov.

7 – You can get help to pay for your medicines now.
The prescription drug coverage does not start until next year, but you can get help from Medicare now. Medicare Drug Discount Cards are now being offered to persons on Medicare regardless of their income. These cards can be used to buy prescription drugs at much lower prices. Low
income seniors can get up to a $300 credit from Medicare on their card. The discount card program will continue through 2005. (If you get your medicines through Medicaid, you do not need this card).

8- You do not have to make any decisions right away.
Watch for your Medicare handbook in October. Medicare will send you more information about the prescription drug program before you need to choose a plan. You do not have to act before you have had time to get answers to your questions.

If you have Medicare now, or if you plan to sign up for Medicare before January 1, 2006, you will have until May 15, 2006 to decide about a Medicare drug plan.

Remember, if you have Medicare now AND get your medicines through Medicaid, you will also be asked to sign up for one of the new Medicare drug plans. If you don’t choose a plan this fall, you will be signed up for the new Medicare drug coverage automatically and a plan will be chosen for you.

If you become eligible for Medicare after January 1, 2006, you will be asked to decide if you want to sign up for a Medicare drug plan at that time.

9 – In Michigan you may contact the Michigan Medicare/Medicaid Assistance Program (MMAP) for health care counseling. 1-800-803-7174
MMAP can answer questions; make appointments for personal counseling or provider speakers for community groups.

10 – Medicare is always there to answer your questions
To learn more about any part of the Medicare prescription drug program or any Medicare topic, call Medicare at 1-800-633-4227. The phone lines are staffed 24 hours a day, seven days a week. You can also go to the Medicare website at www.medicare.gov

Some older adults don’t think this new benefit is for them..............it is just like homeowners insurance. We all think we won’t have a house fire, but we sure are glad we have insurance when something happens.

Waiting five years to join this program could cost you 60% more for delaying the benefit.

In addition, if your health situation changes dramatically after May 15, 2006 the next opportunity for you to join will be at the end of 2006 with coverage beginning in 2007.

Think carefully if you are considering turning down this new Medicare benefit and remember MMAP Counselors can help you in your local community to understand and make an informed decision.

In 2006, no deductibles or premiums will be required for most people on Medicare who have yearly incomes below $12,920 ($17,321 for couples). Co-payments will be just a few dollars. Reduced deductibles, premiums and co-payments will apply to people on Medicare with yearly incomes below $14,355 ($19,245 for couples). To qualify for these additional benefits you must have limited assets.
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