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What's New About Medicare Part D for 2007?

By Elaine Wiant and Carole Larkin

Q I enrolled in a Medicare Prescription Drug Plan for 2006. Do I need to enroll again for 2007?

A If you want to stay in your current plan, you don't need to enroll again. If you want to change plans (or if you are not currently enrolled and are eligible for Medicare benefits), enroll between November 15th 2006 and December 31st 2006. Your new enrollment will be effective January 1, 2007. To be sure to have your card by January 1, it is best to enroll by December 8, 2006.

Q I don't know anything about the program. Where can I learn the basics?

A You can read articles online at www.thirdageservices.com or read about the program in *Medicare & You*, the publication all Medicare beneficiaries receive from Medicare.

Q What changes do I need to know about?

A For 2007, even more companies will offer even more plans – 60 plans in Texas offered by 24 companies! Even if you are happy with your current plan, you should be aware of some important changes:

- If your plan is Humana PDP Complete (the only plan in 2006 to cover brand name drugs in the coverage gap or “doughnut hole”), you should know that for 2007 this plan will cover only generic drugs in the coverage gap. AdvantraRx Premier Plus (\$49), SierraRx Plus (\$96.50) and First Health Select (\$44.10) will cover some (but not all) brand name drugs in the coverage gap.

- Standard plan changes. Each year the standard plan is adjusted for inflation:

	<u>2006</u>	<u>2007</u>
Deductible	\$250	\$265
Beginning of coverage gap (total drug costs)	\$2,250	\$2,400
End of coverage gap (your out-of-pocket cost)	\$3,600	\$3,850

- Formulary (list of drugs covered). Make sure that your drugs are still covered by your plan. Also make sure that your drugs are still subject to the same level of co-pay. If not, you may want to look at other plans.
- Premiums. The premiums for some plans are higher than last year; lower for other plans. For some of the most popular plans, here is a comparison of the premium changes:

<u>Plan</u>	<u>2006 Premium</u>	<u>2007 Premium</u>
Humana PDP Standard	\$10.31	12.70
Blue Medicare Rx Standard	25.73	28.70
Humana PDP Complete*	58.69	76.60
Humana PDP Enhanced	14.13	19.80
YOURx Plan	32.82	31.70

Aetna Medicare Rx Premier	56.39	69.70
AARP Medicare Rx Plan	28.25	18.10
Community Care Rx Basic	30.79	26.70

*Note that the Humana Complete plan is significantly less “complete” in 2007 than it was in 2006.

Q What if I didn’t enroll last year and I was eligible? I heard that I would have to pay a penalty if I enroll now.

A If you enroll after you are first eligible, determine the number of full months you were eligible to join a plan but didn’t. Multiply the number of months by \$.27. This penalty amount (\$3.24 for a full 12 months) is added to your premium amount every month for as long as you have a plan. So if you choose a plan with a \$20.00 monthly premium, you will pay \$23.24 each month.

Q What plans should I consider?

A The only way to know which plan is best for you is to make a list of your regular medications and see which plans cover your drugs and will cost the least for the year. You can do the comparison at www.medicare.gov or by calling 1-800-MEDICARE. The website is much easier to use this year than it was last year.

Q Can you narrow the choices I should consider? Which plans were the most popular in 2006? Which plans are the best?

A The most popular plans were not necessarily the “best” plans. The ten most popular plans nationally are listed below (one plan is no longer available and is not shown). ThirdAge Services compared the plans available in Texas for its clients. Based on our comparisons, the plans that were most often among the “best” plans for our clients are noted in parentheses. For example, the plan that was most often one of the best plans was Humana PDP Standard, so it is ranked “1”. The plans ranked “20” were least often one of the best plans for our clients.

Plan	Most Enrollment	“Best” for ThirdAge clients
AARP MedicareRx Plan	1	(7)
Humana PDP Standard	2	(1)
Humana PDP Enhanced	3	(4)
WellCare Signature	4	(20)
Community Care Rx Basic	5	(7)
MedicareRx Rewards	7	(20)
YOURx Plan	8	(4)
Humana PDP Complete	9	(3)
SilverScript	10	(20)
Blue Medicare Rx Standard	N/A	(2)
Aetna Medicare Rx Premier	N/A	(6)

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Q What should I consider when choosing a plan?

A **First and foremost, does the plan cover your prescription drugs?** If the plan doesn't cover your drugs, it is of no value to you.

You should also consider the monthly premium and yearly deductible. If you use a particular pharmacy, check to see if the plan uses that pharmacy too. Most of the chain drugstores accept all plans. If you prefer to receive your drugs in the mail, check to see that the plan has provisions for that. Think about if you take generic drugs, brand name drugs, or a combination of both. Some Medicare D plans cover generic drugs in the "coverage gap" and a few even cover some brand name drugs in the coverage gap. Some plans have no co-pay for generic drugs.

Q What else should I consider?

A Wal-Mart recently announced that it will offer certain generic drugs for \$4 for a 30 day supply. If you take any of those drugs it may be cheaper to buy them directly from Wal-Mart without using a Medicare Part D plan. In addition, other pharmacies may choose to compete and offer generic drugs for a very low cost. If your drugs are not included, check with your doctor to see if one of the drugs offered can be substituted for the drug you are currently taking.

Q What if I cannot afford a plan or the co-pays for my drugs?

A Medicare provides "extra help" to pay prescription drug costs for people with limited income and resources. If you qualify, you will get help paying the monthly premium and prescription co-payments and you will not be subject to the coverage gap. You automatically qualify for extra help if you have Medicare and you are eligible for Medicaid benefits or you get Supplemental Security Income (SSI) benefits. Otherwise, you may qualify for extra help if your 2006 income AND resources are less than:

	Income Limit	Resources Limit
Single Person	\$14,700	\$11,500
Married (living with spouse)	19,800	23,000

If you haven't received an application or information about the extra help, and you think you may be eligible, you should apply. Contact Social Security for an application.

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