

Medicare Part D – It’s Time to Enroll!

by Carole Larkin and Elaine Wiant

This is part of a continuing series of articles on the new Medicare Prescription Drug Plans and other topics important to “Third Age” (older adults), their friends and relatives. Parts 1 and 2 are available online at www.thirdageservices.com.

Q. Remind me who can sign up for Medicare Part D, the new prescription drug plan?

A. **Everyone** on Medicare -- Part A, Part B or both – no matter your age. Some low-income people can get “extra help” to pay for their prescriptions. Contact Social Security at 800-772-1213 to get an application for extra help. See *Medicare & You 2006* pages 55 to 58 for more information on extra help.

Q. When does Medicare Part D start?

A. **Enrollment for Medicare D begins on November 15th**, and ends on May 15, 2006. Benefits start as early as January 1, 2006. If you sign up for a plan January 1 thru May 15th, your benefits begin the month after you sign up.

Q. How do I decide if I need to sign up for one of these plans?

A. If you are on Medicare and you don’t have any coverage for prescription drugs, you will probably want to sign up for one of the plans. If your drug costs are higher than \$35.00 a month, you will save money by joining the plan with the lowest monthly premium IF that plan covers YOUR prescriptions in its formulary (list of drugs they cover). If you currently receive discounts or free medications from drug companies, it is possible that those programs will be discontinued for you.

Even if you don’t take any drugs now, you may want to join a plan to avoid a higher premium later (see below for an explanation of the higher premium). You may want to consider the plan with the lowest premium (\$10.31 a month) as a placeholder type insurance plan. That way, if you need drugs later, you would already be on a plan.

If you have other coverage now, you will have to decide what is best for you by comparing your current coverage with the new plans.

Q. What if I have coverage from my (or my spouse’s) former employer or union?

A. Your former employer or union should have already sent you information about how your current coverage compares to the Medicare standard prescription drug coverage. If you haven’t received information from your plan, call them and ask for it!

If your plan tell you it is “at least as good as” the Medicare standard plan (also called “creditable coverage”), you can keep your plan as long as it is offered and you won’t have to pay a penalty for a Part D plan later if your employer stops covering prescription drugs. If your plan is not “at least as good as” the standard Part D plan, you need to join a Part D plan by May 15, 2006 to avoid paying a higher premium (penalty) if you decide to join later (see below for an explanation of the higher premium) .

Q. What if I have coverage from Secure Horizons?

A. Secure Horizons is a Medicare Advantage Plan (MAP). If you have drug coverage from Secure Horizons, your plan won’t change. People with Secure Horizons Plans with no Drug benefit have the option of changing plans within the Secure Horizons family to a plan with prescription drug coverage, or keeping their current Secure Horizons plan and enrolling in another Medicare Part D plan. Check with Secure Horizons on this to be sure for your particular situation.

By the way, there will be at least one other Medicare Advantage plan in the DFW area to choose from, if you want a plan where you get all of your Medicare-covered health care through one plan. (Pages 94A-K in *Medicare and You 2006* has more information and telephone numbers to call).

Q. What if I’m on Tricare or VA benefits, or the Federal Employee Health Benefits Program (FEHD)? What do I have to do?

A. Nothing! Your coverage is better than what Medicare D plans offer. Congratulations!

Q. What if I have a Medigap (Medicare Supplement Insurance) policy that covers prescription drugs?

A. Medigap plans are changing! See page 47 of *Medicare & You 2006* for more information. In many cases, you will want to change to a Medicare D plan.

Q. OK. I’ve decided I need to join a Medicare D plan. I’ve heard that there are lots of plans to choose from.

A. It’s true. Medicare set the general rules, but private companies provide the plans. There are 20 companies in Texas selling plans. Several of the companies are offering more than one plan, so there are **47 plans** offering just prescription drug plans (PDPs) to choose from in Texas. In addition, some Medicare Advantage Plans (MAP) like Secure Horizons (HMO/PPO) provide Medicare prescription drug coverage. All are listed at the back of *Medicare & You 2006*. Medicare Advantage plans are listed on 94-A thru 94-K. Stand-alone prescription drug plans are listed on 97-A thru 97-G. The Plan name and the phone number to call for more information are listed there as well.

Q. What are the differences between all of these plans?

A. Each plan is different. The plans have different premiums, different deductibles, different formularies (the list of drugs the plan covers) and different co-pays.

Monthly premiums range from \$10.31 to \$68.41 for the PDP's. Deductibles range from \$0 to \$250.

Co-pays are the part of the cost of drug that you pay. Some plans have NO co-pay for generic drugs. Co-pays for some drugs can be as high as \$69. Also some drugs may be subject to coinsurance (a percentage of the cost) instead of co pays. Coinsurance rates range from 0% to 50%.

Different plans also cover different drugs. You can find out which plans cover YOUR drugs at the "Formulary Finder" on www.medicare.gov.

Special Notice: We want to call to your attention an error on pages 97A-G in the Medicare and You handbook. The column labeled "If I Qualify for Extra Help, will My Full Premium be Covered?" contains errors in many of the entries. All the entries say "Yes". All plans with premiums over \$32.20 should say "No". That is because the extra help will pay up to \$32.20 on the premium, but no higher. If a person qualifies for extra help and wants to be in a plan that has a premium higher than \$32.20, the person would have to pay the rest of the monthly premium.

Q. Do I have to make up my mind right now?

A. No, you have some time to think about it. Enrollment starts November 15, 2005 and ends May 15, 2006.

Signing up before January 1 means that you begin receiving benefits on January 1. But you don't have to sign up then. You have until May 15, 2006 to enroll.

If you let the enrollment period pass without doing anything, you can enroll in a later enrollment period. You can also switch from on plan to another each year during the enrollment period. The enrollment period is November 15 to December 31 of each year.

If you don't have prescription drug coverage or Medicare has determined that your plan is "not as good as" the basic (standard) Medicare D plan, you will be subject to a late-enrollment "**penalty**" of 1% increase in the premium for every month you could have enrolled, but didn't. This increase in premium is permanent.

- Q. This is all so complicated! What should I consider about which plan to enroll in?
- 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. If not, do they have other pharmacies that are convenient to you? 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" (see previous articles or *Medicare & You 2006* for an explanation of the coverage gap), and a few even cover brand name drugs in the coverage gap. How important is it to you to be covered all the time, and with which type of drugs, brand name or generic?

- Q. Where can I go for help if I need it?
- A. *Medicare and You 2006!* Call Medicare if you don't have yours by now. Or you can call Medicare to ask questions at 1-800-Medicare (1-800-633-4227). You can also call the plans themselves. Their telephone numbers are in the back of the Medicare and You 2006. (Remember, their main job is to sell you their plan!) Community groups are teaching volunteers to help. Call 211 to find a help session near you.

Carole Larkin is a Geriatric Care Manager with an M.A. degree in Applied Gerontology from University of North Texas. Elaine Wiant is a Certified Fraud Examiner and Fellow of the Society of Actuaries. They are owners of ThirdAge Services LLC, a provider of care services and financial services to older adults and their families and friends.

You may contact ThirdAge Services for individual help with Medicare Part D. For a fee, we will research your particular drugs and your situation, and comb through all the information on all the Plans available in Texas. We will then write you a personalized report detailing the best options for you. With this report you may make an informed and knowledgeable choice. If you wish to learn more about this service, call 214-741-4397 or 214-649-1392. We will be glad to talk to you.

Contact ThirdAge Services with questions or to request a speaker for your organization at 214-741-4397 or 214-649-1392 or clarkin@thirdageservices.com.