

## **Medicare Prescription Drug Coverage (Part D) Fact Sheet**

### **Part D – General Information**

- Medicare’s prescription drug benefit, also referred to as Part D, begins January 1, 2006
- Beneficiaries choose and enroll in the drug plan of their choice
- Medicare offering assistance to those with limited incomes
- Prescription drug plans (PDPs) are available in each state
- Medicare Advantage prescription drug plans (MA-PDs) are available in all states except Alaska and Vermont
- Participating plans by state can be found at <http://www.cms.hhs.gov/map/map.asp#AK>

### **Eligibility**

- Anyone with Medicare Part A
- Anyone with Medicare Part B
- Anyone with both Medicare Part A and Part B
- Beneficiaries in a Medicare Advantage plan can choose a MA-PD

### **Enrollment**

- Enrollment begins November 15, 2005 and runs through May 15, 2006
  - If join *before* December 31, 2005, coverage begins January 1, 2006
  - If join *after* December 31, 2005, coverage begins the first day of the month after the month joined
  - If don’t join by May 15, 2006, may be subjected to a higher premium or pay a penalty (Penalty does not apply to beneficiaries having other equivalent drug coverage)
  - **Dual eligibles** (individuals with Medicare & Medicaid) will be automatically enrolled in a plan
    - Prescription drugs will be paid for by Medicare on/after January 1, 2006

### **Cost**

- Pay monthly premiums (will vary depending on plan though the average is \$32)
- Pay a yearly deductible – Standard \$250 (will vary depending on plan)
- Patient pays 25% coinsurance until coverage limit of \$2250 is met
  - Beneficiary is responsible for 100% of costs after \$2250 limit
  - Coinsurance/copays will vary depending on plan
- Beneficiary total out of pocket expense per year - \$3600 (after which the beneficiary pays 5% of costs or some type of limited copay for the remainder of the year)
  - Will vary depending on plan
- Medicare offering limited income assistance (may cover premiums and deductibles)
  - Beneficiaries that have Medicare & Medicaid are automatically eligible for assistance
  - Beneficiaries qualify if income in 2005 is less than \$14,355 if single and \$19,245 if married

- Resources must be less than \$11,500 if single and \$23,000 if married (resources do not include home or car)
- Apply through Social Security Administration or State Medical Assistance Office

### Options

- Beneficiaries can join
  - a stand alone PDP, which would add a drug benefit to traditional Medicare
  - a Medicare Advantage prescription drug plan or other Medicare health plan with prescription drug coverage

### Quick Drug Facts

- PDPs cover brand names and generic drugs (will vary amongst policies)
- Part D does not affect coverage of Part B drugs (drugs covered under Part B will remain covered as Part B drugs)
- PDPs must provide coverage under “cancer drugs/antineoplastic” category; however, not all drugs will be covered
- PDPs must have an exception process for formularies

### Resources

- Medicare & You Handbook for beneficiaries - <http://www.medicare.gov/publications/pubs/pdf/10050.pdf>
- Medicare.gov - <http://www.medicare.gov/>
  - Call Medicare at 1-800-MEDICARE or 1-800-633-4227
  - Medicare Prescription Drug Plan Finder - <http://www.medicare.gov/MPDPF/Public/Include/DataSection/Questions/MPDPFIntro.asp?version=default&browser=IE%7C6%7CWinXP&language=English&defaultstatus=0&pagelist=Home&ViewType=Public&PDPYear=2006&MAPDYear=2006&MPDPF%5FMPPF%5FIntegrate=N>
  - Formulary (Drug) Finder - <http://formularyfinder.medicare.gov/formularyfinder/selectstate.asp>
- State Health Insurance Assistance Programs (SHIP) - <http://www.cms.hhs.gov/partnerships/communities/ship/default.asp>
- CMS website - <http://www.cms.hhs.gov/>
- CMS Partnership website - <http://www.cms.hhs.gov/partnerships/>