

Medicare Prescription Drug Benefits



In 2006, Medicare began providing an optional outpatient prescription drug benefit. From **October 15th** – **December 7th** of every year, Medicare beneficiaries – whether you have had benefits in the past or not – can participate in the “Open Enrollment Period.” You should compare the privately administered drug and/or health plans every year to ensure that you have the best coverage for your specific needs.

If you currently have an affordable drug benefit and your coverage is as good or better than the *basic* Medicare drug benefit (called “**creditable**” coverage), you will most likely want to stay with your existing plan (e.g. retiree benefits, VA, Tricare). This is especially true if you do not have to contribute to the premium cost of your retiree coverage.

The following questions can help you make decisions about Medicare-approved drug plans:

1. Do you want your Medicare drug benefit administered by a “stand-alone” Part D drug plan so that you can keep traditional Medicare?

If you are enrolled in traditional fee-for-service Medicare with Part A and/or B (you have a red, white, and blue card) and do not have drug benefits from a past employer, you will likely want to choose a stand-alone Part D drug plan. If you have a Medigap policy (Medicare supplement), the Part D plan that you choose does NOT have to be from the same insurance company that provides your supplement. In addition, the plan that is best for *you* may not be the best plan *for your spouse*. Traditional Medicare is widely accepted insurance; however, it is financially risky to have Medicare A and B without secondary medical coverage (supplement, Medicaid, or past employer coverage).

2. Do you want your Medicare drug benefit to be incorporated into a Medicare Advantage Health Plan?

Medicare Advantage Health plans – also known as Medicare Part C – include Part A and B benefits and even some “extras.” However, Medicare Advantage (MA) plans pay for services using different methods than traditional Medicare, and some providers and institutions may not accept the payment terms of your Medicare Advantage plan. These MA plans are *privately* administered managed care plans with networks of providers (HMO or PPO). You may or may not receive your prescription drug benefit from your Medicare Advantage plan.

NOTE: Medicare supplements (Medigap policies) do not work with Medicare Advantage plans; Medicare supplements are designed to fill in the gaps in medical coverage of *traditional* fee-for-service Medicare.

3. Am I eligible for financial assistance from the government to help with some of my drug costs?

If you have gross annual income at or below \$18,210/individual or \$24,690/couple (married and living together); and cash resources at or below \$14,100/individual or \$28,150 /couple; you may be eligible for financial assistance from the federal government. Income amounts may be higher if you work and/or financially support a relative (other than your spouse) who lives with you. If you have Medicare and Medicaid, OR the State pays your Medicare Part B premium (assistance called “Medicare Qualified Beneficiary” or “MQB”), you automatically qualify for this financial assistance. To apply for this financial assistance, contact Senior PharmAssist, Social Security, or the NC Seniors’ Health Insurance Information Program (SHIIP). This application can be completed at any time.

4. Does my pharmacy accept this prescription drug plan?

Make sure that your pharmacy accepts the plan you choose (“network” pharmacy). Most pharmacies accept most Part D drug plans and some “preferred” pharmacies offer steeper discounts with certain plans. Some plans offer mail-order services, but they are not always less expensive.

5. What plans cover my medications and at what cost?

Each plan provides a list of medications they cover (formulary) and information about what you will pay for these medications (co-payments or co-insurance). Using the Medicare website to compare plans (“drug plan finder tool”) is the **ONLY** way to determine which plan is best for you. The Medicare website helps compare monthly premiums, annual deductible amounts, co-payments and co-insurances, what medications are covered, and alerts you to any restrictions that your insurer may have on the medications you need. Many of these factors change from year to year, so it pays to compare; you could possibly save hundreds or thousands of dollars a year.

6. Are there penalties if I don't join?

In general, for every month that you have been without creditable drug coverage since June 2006 or when you first became eligible for Medicare, you may have to pay a penalty. The penalty is added to your monthly drug benefit premium and is equal to 1% per month for every month that you did not have creditable coverage and is based on the national average basic premium (\$35.02 in 2018). The longer you wait, the more costly the monthly penalty. If you have creditable coverage, you are protected from later penalties as long as you enroll in Medicare D within 63 days after losing your creditable coverage. Although the Medicare website will not reflect your penalty payments, the late enrollment penalty should be collected by your Part D plan.

7. Wonder if I have a high income?

For people with incomes above \$85,000/single or \$170,000/couple, you are required to pay more in premiums for your Part B and D benefits; these amounts will be deducted from your Social Security (SS) payment. This is referred to as IRMA (income-adjusted Medicare amount). For those not yet receiving SS benefits, other payment arrangements will be made.

8. What can Senior PharmAssist do to help?

Senior PharmAssist helps Durham County residents with limited incomes apply for assistance from the federal and state government. We also help any Medicare beneficiary – regardless of age or income – select a Medicare-approved drug or health plan that best suits his or her medication and medical needs. In addition, Senior PharmAssist offers financial assistance by helping fill in the gaps that Medicare drug plans do not cover. Durham County residents age 60 and older who are Medicare-eligible may qualify for direct financial assistance if their gross income is at or below:

- \$24,280/individual (\$2,023/month) or
- \$32,920/couple (\$2,743/month)

Important Contact Information

Medicare (Center for Medicare & Medicaid Services or CMS)	1-800-633-4227 or www.medicare.gov “Health & Drug Plans”
Seniors’ Health Insurance Information Program (NC SHIIP)	Call 1-855-408-1212 <u>to work with someone by phone.</u> Contact Senior PharmAssist if you live in Durham and wish to meet with someone in person. Contact info listed below.
Good general Medicare overview	www.mymedicarematters.org
Social Security Administration	National office: 1-800-772-1213 or www.ssa.gov Local office: 1-888-759-3908; 3511 Shannon Rd, #200, Durham
Durham Dept. of Social Services – Adult Medicaid	Contact for information about Medicaid or MQB: 919-560-8000; 414 E. Main St., Durham.
Senior PharmAssist Durham County SHIIP coordinating site	Durham residents can call for appointments: 919-688-4772 406 Rigsbee Avenue, Suite 201, Durham, NC 27701 Located in the Durham Center for Senior Life (DCSL) www.seniorpharmassist.org