

## Medicare Prescription Drug Coverage

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In the past several months a lot of information has been sent to Medicare eligible people about the new Medicare Part D prescription drug coverage plan. The publications detailed costs, rights, and your responsibilities. The exciting part of the new prescription drug coverage program is that it is more comprehensive than any other provided in the past, including the Medicare discount cards and Medicare HMOs. Medicare is stating that the Part D drug coverage could pay over half of your drug costs in the next year. Therefore, this insurance is designed to share the high cost of medications.

In the next few months you will need to make important decisions about what plan you would like to enroll in based on your specific needs and your situation. Enrollment in the plan began November 15, 2005. If you don't enroll by May 15, 2006, you could have penalties up to 1% of the monthly premium for the number of months you did not enroll. This increased premium will last as long as you have the coverage. Even if you have no or very low prescription costs now, due to the penalty, in the long run it may be more beneficial to elect the coverage. If you sign up by December 31, 2005, your coverage will begin on January 1, 2006 and you will pay the lowest possible premium.

The Medicare.gov website (<http://www.medicare.gov/medicarereform/mapdpdocs/MALandscapega.pdf>) is currently providing a list of private insurance companies that will offer the program and the rates for the each policy for every Georgia county. It appears in Georgia, that at least eight separate companies will be offering a variety of plans to choose from. Some counties will have a choice of at least two companies and some more than eight.

Each company that offers coverage in your area will also be contacting you by phone and mail to provide you with information. One of the primary factors in determining what plan is the best for you is to decide how your costs will be affected by the new coverage. Ultimately, the costs you pay will depend on your specific situation. If you had previous medication coverage, your income, and the plan you choose will all be factors in the decision making process. Be sure to read "What a Person with Hemophilia Needs to Know about the New Medicare Part D Medication Coverage" on page 14.

### How to determine your out-of-pocket expenses

If you have a low income, there is an assistance program being offered to help pay the premiums for you. There are varying degrees of assistance depending on your income and assets. Assets include property, bank accounts, Certificates of Deposit, insurance plans, and other calculable wealth. If you are single with an income less than \$14,355 and assets less than \$11,500 or you are a couple with an income less than \$19,245 and assets less than \$23,000 you can complete an application for assistance with your premiums. If your income and assets are more than the listed amounts costs will include: Please note: This information only applies if you have no other medication coverage. Contact your benefits administrator or insurance company if you currently have other coverage. Each plan will be affected differently and costs will vary.

### **Monthly Premiums**

- In Georgia, premiums are currently being reported as high as \$102 per month and there are several plans as low as \$9 per month.

### **Yearly Deductible**

- The first \$250 spent in a year will be paid out of your pocket.

### **Cost Share after the Deductible and the infamous “Doughnut Hole”**

- You will pay 25% of the drug cost from \$250 to \$2250.
- After the first \$2250 in costs the “doughnut hole” applies. You will pay all costs from \$2250 up to \$5100 for a total of \$3600 in out-of-pocket expenses.

### **Costs after the “Doughnut Hole”**

- You pay 5% of your drug costs after \$5100.

### **Keep in mind**

If your out-of-pocket medical expenses total more than 7.5% of your gross annual income there is a deduction when you file your taxes. For more information contact the IRS at 1-800- 829-1040 or online at [www.irs.gov](http://www.irs.gov). If you are currently on Medicaid, Medicare will begin to pay for your medications on January 1st. In October, you will be assigned a plan. If you want to choose another plan you will have the ability to switch before December 31st. If you are currently on medications that the new Part D plan will not cover, Medicaid will purchase those medications for you.

Choosing which company to use for the new medication coverage is a big decision. Be sure to read all the information sent to you from Medicare carefully in order to make your best decision about how to proceed. For free advice in deciding which plan is the best for your needs contact:

1) Medicare

a. [www.medicare.gov](http://www.medicare.gov)

b. Toll Free: 1-800-MEDICARE

2) Georgia Cares is the State Health Insurance Assistance Program (SHIP)

a. [www.aging.dhr.georgia.gov/portal/site/DHR-DAS/](http://www.aging.dhr.georgia.gov/portal/site/DHR-DAS/)

b. Toll Free: 1-800-669-8387

3) Social Security

a. [www.ssa.gov](http://www.ssa.gov)

b. Toll Free: 1-800-772-1213