

## Medicare Prescription Drug Program

Senior citizens have received a great deal of information about the options and plans available under the Medicare Part D prescription drug program, which became available on January 1, 2006. To help you navigate this new system, Rep. Eshoo has put together some basic facts about how the Medicare prescription drug benefit works, what it offers, and how much it costs.

Rep. Eshoo's office is available to provide assistance and explain the 'ins and outs' of the program. Information is also available through the Medicare program at 1-800-MEDICARE (1-800-633-4227) or <http://www.medicare.gov>.

### ENROLLMENT

Enrollment in the Medicare prescription drug program is voluntary. If you want to participate, you have to take action to sign up.

Medicaid recipients and all low-income Medicare beneficiaries who already receive prescription drug coverage will be enrolled automatically. (You will receive additional information in the mail from the Social Security Administration.)

There are penalties for late enrollment. If you currently receive Medicare benefits and you don't have any prescription drug coverage whatsoever, you will pay higher premiums if you sign up after the initial enrollment period ends. If, however, you drop or lose your non-Medicare drug coverage, you can still sign up for a Medicare prescription drug plan after the initial enrollment period ends and avoid higher premiums, but only if:

- You can prove that your non-Medicare coverage was at least as comprehensive as the Medicare drug benefit, and

- You enroll within 63 days.

### COVERAGE

If you have drug coverage through your employer or union, you should contact your benefits administrator before enrolling in the Medicare prescription drug program to determine which coverage is better for you.

If you choose to enroll in the new program, you'll have a choice of prescription drug plans. The plans vary as to what prescription drugs are covered, how much you'll have to pay out-of-pocket, and which pharmacies you can use.

Medicare will cover some brand name as well as generic prescriptions. All plans will have an appeals process if you need drugs that aren't covered.

Before you enroll in the program or select a plan:

- Check to see which plans cover the medications you need,
  
- Check to see which plans provide coverage at your local pharmacies, and
  
- Determine if the plan's monthly fees fit within your budget.

## COSTS

Costs will vary annually and will depend on the plan you choose. In general, you will pay for two things:

- A monthly premium (approximately \$37 in 2007).
  
- A yearly deductible (\$265 in 2007).

If your drug expenses exceed the \$250 deductible:

- For expenses above the \$265 deductible, but under \$2,400, you pay 25% and the plan pays the other 75%.
  
- For expenses between \$2,401 and \$3,850, you have to pay all costs.
  
- Once your drug expenses exceed \$3,850, you pay 5% of the cost and the plan pays the remaining 95% for the rest of the year.

Note: All costs mentioned above are in addition to the Part B premium for doctor visits, which is based on annual income reported to the IRS. Part B premiums range from \$93.50 a month for individuals with income of \$80,000 or less and couples with annual income of \$160,000 or less, to \$161,400 a month for individuals with income above \$200,000 or couples with income above \$400,000. (You pay for Part B out of your Social Security check.)

## LOW-INCOME ASSISTANCE

If you're single and your income is less than \$15,315, or if you're married and your combined income is less than \$20,535, you may qualify for additional assistance, depending on your personal financial assets.

If you're single and the value of your personal assets is more than \$11,710, or if you're married and the value of your personal assets is more than \$23,410, you may not qualify for this low-income assistance. This includes money in bank accounts, as well as the value of your investments, insurance policies, and real estate beyond your primary home. (Your home, vehicles, personal possessions, burial plot, and up to \$1,500 intended for funeral expenses are not counted in the asset limits.)

The Social Security Administration (SSA) will mail an application to those who might qualify for this assistance. If you think you qualify but haven't received any information yet about this coverage, call SSA at (800) 772-1213.

## HELPFUL CONTACTS

Center of Medicare and Medicaid Services (CMS)

1-800-633-4227

Social Security Administration

1-800-772-1213

Health Insurance Counseling & Advocacy Program (HICAP)

800-434-0222

## BEFORE YOU CALL...

Before you call to apply for the prescription drug benefit or to receive more information, please have the following information handy:

- Your Medicare identification number (you can find this on your Medicare card).
- A list of the drugs you currently take, the dosage, and how much you pay for them.
- Your refill schedule and preferred method of receiving prescriptions (pharmacy or mail-order).
- Your annual income and a basic accounting of your personal assets in case you qualify for low-income assistance.