

Enrollment Considerations:

Things to think about before signing up for the Medicare Part D Prescription drug benefit

The Medicare Part D prescription drug benefit will begin on January 1, 2006. Individual enrollment began on November 15, 2005.

■ You are eligible if you receive

- Medicare Part A or Part B
- Medicare *and* Medicaid, in other words, if you are a “dual eligible”

■ It's not mandatory, but...

it may not be voluntary either.

- **If you have both Medicaid and Medicare**, the Medicaid drug benefit will end on December 31, 2005. If this is how you have been paying for your drugs, you will have to find other coverage. **If you receive Medicare and Medicaid**, you will be automatically enrolled in a Medicare drug plan. Furthermore, **New York State Law requires Medicaid applicants who qualify for Medicare to enroll in Medicare Part D** as a condition of eligibility. If you do not, you will not receive any Medicaid benefits.
- **If you only have Medicare** and do not enroll in the Medicare drug benefit when you are first eligible you may have to pay a premium penalty of 1% for every month that you delayed enrollment if you decide to enroll later.
- **If you use ADAP (AIDS Drug Assistance Program)** and you are eligible for the Medicare Part D benefit, you will be required to enroll in a Part D plan, unless you have “creditable coverage” (see below).

■ If you have other prescription drug coverage...

...from your union or a current or past employer (for example) you may want to hold on to it and forgo the Medicare drug plan. First, find out if it is considered “creditable.” Creditable coverage is coverage that is considered by the government to be as good as, or better than, the Medicare drug benefit. In other words, it is a plan that can be expected to pay out at least the same amount for your prescriptions as the Part D benefit will. Second, decide if your current coverage makes more sense for you in the long term than the Medicare drug plan. Does it cover more of the medications you currently use or might need down the road? Are the costs lower and likely to stay that

way? Is the plan accepted by all or most of the pharmacies you might use? Do you feel confident that it will be available to you for years to come?

If you keep coverage that is creditable but decide at a later date to switch to the Medicare drug plan, you won't have to pay a penalty.

If you keep coverage that is not creditable and then decide to switch to the Medicare drug plan later, you will have to pay a premium penalty of 1% for every month since the initial enrollment period that you delayed enrollment.

Your current insurer must send you a notice telling you if your coverage is creditable. If you have not received this information by November 15, 2005, contact your insurer. Note: Your current insurer may tell you that if you drop their prescription drug coverage and take Part D, you will lose all your other medical coverage from them.

Creditable Coverage

It is early October 2005. Sam is HIV-positive and has Medicare because he qualified for Social Security Disability many years ago. Medicare does not yet cover drugs, although it will begin on January 1, 2006. Because Sam needed drug coverage, and does not qualify for ADAP because he has too many assets, he picked up a direct-pay policy in the individual insurance market to pay for his drugs (Sam was able to get this policy prior to enrolling in Medicare. You are not allowed to pick one up AFTER you enroll). Now that Part D is on the horizon, Sam must decide whether he should (a) enroll in Part D and drop his current policy, (b) keep his current policy and forgo Part D, or (c) pick up Part D AND keep his policy, just to be on the safe side. In November 2005, the insurance company he uses for his drug coverage will notify him of whether or not his coverage is “creditable.” If it is creditable, Sam can keep his coverage and forgo Part D, but have the option of picking it up in several years without incurring a penalty. In November, he will decide which option is best for him.

■ Things to consider before picking a plan

Under the Medicare prescription drug benefit, you will have a choice of at least two plans in your area. Depending on where you live, you may have upwards of ten plans to choose from. Here are some things to consider:

Affordability Compare the costs of plans. Different plans have different premiums, co-payments, and deductibles. If you are a dual eligible, you do not have to pay a premium or a deductible and your drug co-pays will be \$1 to \$2 for generics and \$3 to \$5 for brand names.

If you are not a dual eligible, you still may be eligible for extra help depending on your assets and annual income. The difference in cost for those who are eligible for this help and those who are not is considerable. [See *Paying for Part D* fact sheet]

If you are not a dual eligible and do not qualify for extra help, you could be looking at thousands of dollars in out-of-pocket costs every year. This

makes a careful comparison of plans' premiums, co-pays, deductibles, and list of covered drugs even more essential.

Access Each Medicare prescription plan is coming up with its own list of drugs it will cover. Each plan will be required to cover at least two drugs in every therapeutic class. Because not every plan will carry every drug, you should consider which drugs and which types of drugs you currently use or may need in the future.

Appeals If a plan initially refuses to pay for a drug you need, you can appeal. Different plans have different appeals processes, and some may be more complicated than others. For some people, this may be among the most important enrollment considerations. Familiarize yourself with the basics of the appeals process before you commit to a plan. Make sure you know where to go for help if you have a problem accessing the drugs your medical provider says you need. Know the steps to take to fight for your coverage.

Getting More Information

GMHC Fact sheets:

Medicaid, Medicare, and "dual eligibles"
Medicare Part D Timeline

Enrollment Considerations
Paying for Part D

Other Resources and Networks

Centers for Medicare and Medicaid Services (CMS) and the Department of Health and Human Resources
www.cms.hhs.gov/medicare/

Medicare Website
www.medicare.gov/medicarerreform/

Medicaid
www.cms.hhs.gov/medicaid/consumer.asp

EPIC Elderly Pharmaceutical Insurance Coverage
www.health.state.ny.us/health_care/epic/index.htm

Social Security Administration
www.socialsecurity.gov/prescriptionhelp/

Social Security Administration "Extra Help" page
<https://s044a90.ssa.gov/apps6z/i1020/main.html>

Families USA
www.familiesusa.org/site/PageServer?pagename=Medicare_Drug_Law_Materials

Medicare Rights Center
www.medicarerights.org/newlawframeset.html

Kaiser Family Foundation
www.kff.org/medicare

Center for Medicare Advocacy
www.medicareadvocacy.org/FAQ_PartD.htm
www.medicareadvocacy.org

HIV Medicine Association
www.idsociety.org/HIVMA_Template.cfm?Section=Medicare&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=42&ContentID=7079
www.hivma.org

Treatment Access Expansion Project
www.taepusa.org/medicare_partd.html

American Academy of HIV Medicine
www.aahivm.org