

# The Medicare Drug Benefit: What You Need to Know

- 1. What is the Medicare prescription drug benefit?**

Medicare's drug benefit (Part D) is drug coverage available through private companies. To get this coverage, you need to choose and enroll in a plan. If you want drug coverage and you have

  - **Original Medicare** and want to stay with it, choose a stand-alone drug plan that just offers drug coverage (PDP).
  - **a Medicare private health plan** (such as an HMO or PPO) you should generally get drug coverage from that same company\*.
- 2. Do I have to get the Medicare prescription drug benefit?**

**No.** Enrollment in the benefit is optional. **If you have drug coverage as good as or better than Medicare's** ("creditable") you can keep it without penalty. **If you do not have coverage as good as Medicare's** and you don't enroll when you are first eligible, you will pay a penalty if you enroll later. Find out from whoever provides your coverage whether it is creditable.
- 3. How much do I pay for drug coverage?**

**Each private plan has different costs.** With most you pay a monthly premium, an annual deductible (no more than \$275 in 2008), and part of the cost of each prescription (copayments or coinsurances) until you have paid a certain amount. Then you may have to pay the full cost of your drugs for a period of time (coverage gap). If you spend \$4,050 in 2008 in out-of-pocket drug costs, you will then pay no more than 5 percent for each prescription (plus the premium). **If your income is very low, you can get Extra Help to pay for most of these costs** (see reverse).
- 4. Will all my drugs be covered?**

**Each private plan has its own list of covered drugs** (formulary) with different costs and restrictions. You pay the full cost of non-covered drugs and prescriptions from out-of-network pharmacies.
- 5. How will it work with my current coverage?**

**It depends on your current coverage.** Call the company that provides your coverage to find out if and how it will work with the Medicare drug benefit. Many employer plans will not allow you to also have Part D.
- 6. When can I enroll in or change my choice of a Part D plan?**

You can first enroll when you become eligible for Medicare. You can enroll in or change plans during the **Annual Coordinated Election Period (ACEP)**, Nov. 15 to Dec. 31 each year. **If you get Extra Help**, you will also get a **Special Enrollment Period** to enroll in or change plans once outside of the ACEP and you will not have to pay a late enrollment penalty if you enroll in a Medicare drug plan 2008.
- 7. How do I find out about plans?**

You can visit [www.medicare.gov](http://www.medicare.gov) or call 800-MEDICARE (800-633-4227) or [www.medicarerights.org/help.html](http://www.medicarerights.org/help.html).

\* If your private health plan is an MSA or PFFS without drug coverage, you can join a PDP.

For more information on the Medicare prescription drug benefit (Part D), see MRC's **Medicare Interactive Counselor** ([www.medicarerights.org/help.html](http://www.medicarerights.org/help.html)).

## Get Extra Help Paying for Drugs if Your Income Is Low

You may qualify for the Extra Help—the federal program that helps you pay for most of the costs of Medicare drug coverage—if your income is below \$15,600 (\$21,000 for couples) in 2008 and your resources are less than \$11,990 (\$23,970 for couples). The amount of assistance you qualify for will depend on your income.

### How do I get Extra Help to pay for my Medicare drug costs?

- If you have Medicaid or a Medicare Savings Program (MSP), or you receive Supplemental Security Income (SSI), you automatically qualify for Extra Help—you do not have to apply.
- If you do **not** have Medicaid, an MSP or SSI, you should apply for help through the Social Security Administration (SSA) using the agency's print or online application ([www.ssa.gov](http://www.ssa.gov)).

### What do I do after I get Extra Help?

**You should choose and enroll in a Medicare private drug plan.** If you do not, you will be automatically enrolled in a plan that may not fit your needs. Pick one that covers your medications and works at the pharmacies you prefer and has a premium that is fully covered by Extra Help.

If you have Medicare	And your assets are	Then you are eligible for	And your copays in 2008 are
<b>And have Medicaid and</b>			
Monthly 2008 income* <b>below</b> \$867 (\$1,167 for couples)	Below \$4,200 for individuals and \$5,400 for couples (in NY)	<b>Full Extra Help:</b> \$0** premium and deductible	\$1.05/generic, \$3.10/brand-name (no copay after \$5,726.25 in total annual drug costs)
Monthly 2008 income* <b>above</b> \$867 (\$1,167 for couples)	Below \$4,200 for individuals and \$5,400 for couples (in NY)	<b>Full Extra Help:</b> \$0** premium and deductible	\$2.25/generic, \$5.60/brand-name (no copay after \$5,726.25 in total annual drug costs)
<b>And do not have Medicaid and</b>			
Monthly 2008 income* <b>below</b> \$1,170 (\$1,575 for couples)	Below \$7,790 for individuals and \$12,440 for couples	<b>Full Extra Help:</b> \$0** premium and deductible	\$2.25/generic and \$5.60/brand-name (no copay after \$5,726.25 in total annual drug costs)
Monthly 2008 income* <b>below</b> \$1,300 (\$1,750 for couples)	Below \$11,990 for individuals and \$23,970 for couples	<b>Partial Extra Help:</b> Sliding scale monthly premium and \$56 deductible or the plan's standard deductible, <b>whichever is cheaper.</b>	15% coinsurance or the plan's standard copay, <b>whichever is cheaper</b> (after you reach \$5,726.25 in total annual drug costs, you pay \$2.25/generic and \$5.60/brand-name copay or 5% of the cost of the drug, <b>whichever is greater</b> )

\* Income limits are based on Federal Poverty Levels, which go up every year in February or March. Limits are higher if there are more than two people in your household. Limits are also higher in Hawaii and Alaska and may vary in U.S. Territories.

\*\* Your premium is free if you choose a plan that offers basic coverage at or below \$25.18 or any plan that offers coverage at or below \$24.18, the New York State Extra Help premium amount.