

Health Bulletin:

New Medicare Drug Benefit



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#32 in a series of Health Bulletins on issues of pressing interest to all New Yorkers

Medicare Part D: The new prescription drug benefit will save many seniors money.

- The Medicare Part D drug benefit begins on Jan. 1, 2006.
- Enrollment begins on Nov. 15, 2005. Enroll by May 15, 2006, to avoid a higher premium.
- You are eligible if you receive Medicare. *But you must sign up to get this benefit.*
- Many different plans will be offered. Help is available to choose the best plan for you.



What Is the Medicare Prescription Drug Benefit?

- Medicare Part D is health insurance that covers much of the cost of most prescription drugs. (Over-the-counter drugs are *not* covered.)
- Medicare Part D can be obtained in 2 ways:
 - Through Medicare Advantage Plans, which provide comprehensive health insurance coverage or
 - Through Medicare prescription drug plans, which add coverage to basic Medicare.

Do I Really Need Medicare Part D?

Yes, If You Don't Have Any Drug Coverage

- On average, people 65 and older take 3 prescription drugs daily.
- If you need expensive prescriptions and are not enrolled in a drug benefit plan, you will pay a lot more for prescriptions.

No, If You Already Have Good Coverage

- If you already have drug coverage that is at least as good as Medicare Part D (such as a Medicare Advantage Plan or veterans or retirement benefits), you can keep it.
 - For questions about your current plan, talk to your benefits administrator.
 - If you lose your current coverage in the future (even after May 15, 2006), you can join a Medicare plan without paying a penalty, as long as you do it within 63 days after coverage ends.

How Do I Enroll?

- First, choose one of the Medicare Part D plans. Then sign up between Nov. 15, 2005, and May 15, 2006:
 - For coverage beginning Jan. 1, 2006, sign up by Dec. 31, 2005.
 - If you wait to enroll after May 15, 2006, you may have to wait until 2007 for coverage. And, you may have to pay a penalty to get coverage.
 - This penalty will increase the cost of your monthly premium by 1% for every month that you wait to enroll.
- Open enrollment will be Nov. 15 through Dec. 31 of each year for coverage beginning Jan. 1 of the following year.
- During open enrollment, you can change plans.
- People can also enroll in Medicare Part D when they become newly eligible for Medicare.
- You can change your plan if you:
 - Move out of your plan's service area.
 - Lose other drug coverage or have plan benefits reduced – but *only* if the old plan was at least as good as Medicare Part D.
 - Enter, live in, or leave a nursing home or other long-term-care facility.
 - Receive both Medicaid and Medicare and have been automatically enrolled in a plan.

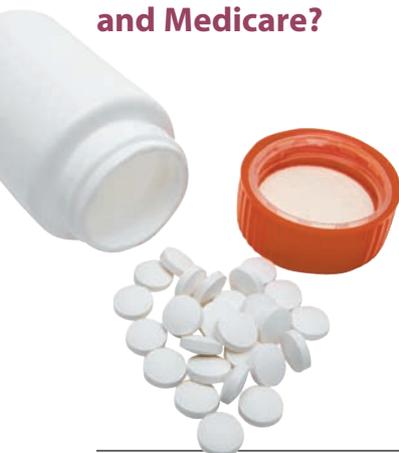


How Much Will This Cost?

- There are 3 types of costs for Medicare Part D plans:
 - Monthly premiums.
 - Prescription co-payments.
 - Annual deductibles.
- *Monthly premiums* differ, depending on the plan you choose.
 - Some plans have no premium. Others will cost more than \$100 per month. The average is about \$32 per month.
 - Some plans provide minimum coverage. Some plans have higher monthly premiums, but provide more benefits.
 - Medicare Part D monthly premiums will be added to other Medicare premiums you may already pay (such as for Medicare Part B).
- *Prescription co-payments* usually range from \$5 to \$40 per prescription, depending on the drug. Some plans may not cover certain drugs.
- *Annual deductibles* (how much you have to pay out-of-pocket for drugs before you receive benefits) range from \$0 to \$250 per year.
- Lower-income people may qualify for help to pay for Medicare drug plan premiums and for prescription co-pays (see **More Information**).

What if I am Eligible for Both Medicaid and Medicare?

- If you receive both Medicaid and Medicare, you will no longer have drug coverage through Medicaid.
- You will automatically be enrolled in a drug plan if you do not join one by Dec. 31, 2005.
- If automatically enrolled, you will not pay premiums or deductibles, but you may have low co-payments.



How to Get Started

- Look at your current health insurance coverage.
 - Are prescription drugs covered?
 - What do you pay for premiums, deductibles, and co-pays?
 - Are there restrictions on where you can fill prescriptions?
- Make a list of the prescription drugs you use and how much you pay.
- Compare available plans. Calculate how much you will pay with each one.
 - Add up monthly premiums, deductibles, and co-pays to get your total cost.
 - Be sure to choose a plan that covers the drugs you use.

Get Help to Choose the Best Plan at the Right Price for You!

Contact the Health Insurance Information, Counseling, and Assistance Program at www.hiicap.state.ny.us or call 1-800-333-4114

More Information

- Medicare: www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227)
- Medicare TTY: 1-877-486-2048
- EPIC (Elderly Pharmaceutical Insurance Coverage – New York State sponsored program for seniors who need help paying for their prescriptions): http://www.health.state.ny.us/health_care/epic or call 1-800-332-3742
- Social Security Administration (payment assistance for lower-income people): www.ssa.gov or call 1-800-772-1213



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Health & Mental Hygiene News

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Prepared in cooperation with:
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