

HIICAP

Health Insurance Information, Counseling, and Assistance Program

Niagara County Office for the Aging • 111 Main Street • Lockport, NY 14094
www.niagaracounty.com/aging 716-438-4020

May-Sept. 2007

HOT TOPICS

Medicare Benefits 2007

Medicare Pt. D

If a person decides to enroll in Medicare Pt. D they must make a choice from plans that will be offered through insurance companies and private companies who contract with Medicare. These plans will differ in terms of the monthly premium, prescriptions covered, cost of the prescriptions, and participating pharmacies. They must also provide coverage that matches or is better than the standard Medicare benefit.

The Medicare standard benefit is:

- \$24 estimated monthly premium
- \$265 annual deductible
- beneficiary pays 25% drug cost between \$265 and \$2,400
- beneficiary pays 100% drug cost between \$2,401 and \$5,451
- beneficiary pays 5% drug cost above \$5,451

Overview of Medicare Part D

Medicare Part D is the prescription drug benefit offered to those enrolled in or eligible for Medicare Part A and/or part B. People need to consider a variety of factors before selecting a plan under part D:

- Annual open enrollment begins November 15, and ends December 31. Enrollment is optional and voluntary.

- Individuals who currently have drug coverage through an employer, union, or other source may decide to keep that coverage rather than enroll in Medicare Part D, if it is deemed “creditable”. Creditable coverage means prescription coverage which is equal to or better than the standard Medicare Part D benefit. The insured will receive a letter to this effect each fall. Keep the letter in a safe place.
- Those who do not have “creditable” coverage from another plan and choose not to enroll when eligible will have to pay a 1% per month surcharge over the standard national premium for each month they did not have part D, should they decide later to obtain the benefit.

What is the best way to select a plan?

Unlike Medicare part A and Part B which can be used nearly everywhere in the USA, Medicare Part D is administered by private companies across the nation. Each company offers plans that have different premiums, different drugs, and may be used only at certain pharmacies, and in specific regions. There are over 60 Medicare private drug plans to choose from, in our region ranging in premiums from \$9.50 per month to over \$80.00 per month. On-line help is available so you can pick the best plan to cover the greatest portion of your prescriptions, at www.Medicare.gov or by calling 1-800-Medicare. You can also call The Niagara County Office For The Aging HIICAP program at 438-4020. It is likely that you might not find a single plan to cover all of the medicines that you take. In that case, you must either change your prescriptions to ones your plan covers, or pay for uncovered drugs out of your own pocket.

Selecting a Health Plan and Prescription Coverage

In order to select the plan that is best for you consider the following choices:

- **Original Medicare as primary insurance** (with no prescription coverage): Review the part D plans and consider whether to purchase and retain Medicare as primary, or to join a Medicare health plan with drug coverage.
- **Medicare health plan:** known as Medicare Advantage, HMO, PPO, or PFFS plan, may offer drug coverage. It is necessary to obtain details from the provider in order to determine what coverage is offered.
- **Medigap policy and Part D plan:** evaluate the Part D plans and choose best coverage for you.
- **Medicaid:** most prescription costs are covered by Medicare Part D instead. Recipients will not have to pay a premium and will have no deductible. Most will have co-pays of \$1. for generics, and \$3.10 for brand name medications.
- **EPIC:** Effective July 1, 2007, most EPIC enrollees will be required to have Medicare Part D coverage. For enrollees covered under the EPIC fee plan, the EPIC program will pay \$24.45 toward their Medicare part D plan premium. For those enrolled in the EPIC deductible plan, EPIC will credit \$24.45 monthly toward the deductible. For further information , call EPIC at 1-800-332-3742, or The Niagara County Office For The Aging HIICAP program at 438-4020.

Low Income Subsidy Guidelines 2007 Extra Help Paying For Medicare Part D

Many people with Medicare who have limited resources will get extra help paying for Medicare prescription drug coverage. Some people will qualify to enroll in a plan and pay no monthly premiums or deductibles, and co-pays that are little or nothing. Other people will qualify to enroll in a plan with a reduced deductible; others will qualify to pay a sliding scale premium and small co-insurance.

If you have an income of no more than \$13,783.50, and assets of no more than \$11, 710 for a single person, or \$18,481.50 for a couple, with assets no more than \$23, 410, you would qualify for the Extra Help. Those who have an income up to \$15,315 for a single person, with assets up to \$11,710, and couples with an income of up to \$20,535 with assets up to \$23,410 would qualify for sliding scale assistance. Assets that count include savings and investments. Assets that do NOT count include the home you live in, and your car, and a burial plot, or life insurance policy up to \$1,500 each. Call the Social Security Administration to apply, at 1-800-772-1213.

New Limited Enrollment Period to Switch into a Medicare Advantage plan in 2007

In 2006, there were only two times during the year to switch Medicare Health plans. However, in 2007 and 2008, people with Medicare have one more enrollment period called the Limited Open Enrollment period. This allows people who are enrolled in Original Medicare to enroll in a Medicare Advantage Plan at any time during the year as long as they do not change their Medicare drug coverage. If you are enrolled in Original Medicare without drug coverage, you may enroll in a Medicare Advantage plan without drug coverage outside the normal enrollment periods. If you have Original Medicare and a stand alone Medicare Part D plan (PDP), you may enroll in a Medicare Private Fee For Service Plan(PFFS) and keep your Medicare drug plan(PDP). Once you use this Limited Open Enrollment Period, you will then be locked in for the rest of the year. You cannot switch back into Original Medicare from a Medicare Advantage Plan or to another MA plan until the Annual Election Period of November 15 until December 31, with coverage starting on January 1 of the next year.

This publication has been created with financial assistance through a grant from the New York State Office For The Aging HIICAP and the Centers for Medicare and Medicaid Services, the Federal Medicare agency.

