

## **ABCs of Medicare Part D**

**Satellite Conference  
Friday, September 30, 2005  
12:00-2:30 p.m. (Central Time)**

**Produced by the Alabama Department of Public Health  
Video Communications and Distance Learning Division**

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## **Objectives**

- **Basics of new prescription drug benefit including benefits to be offered, enrollment process, etc.**
- **Timetable for the roll out - when beneficiaries will be contacted about subsidies, about plans, about their current insurance policy comparison.**

## **Objectives**

- **Possible areas of confusion :**  
**What happens to dual eligible beneficiaries (those on Medicaid and Medicare)?**  
  
**What is the difference in Medicare Part D and the new Medicare Advantage Plans?**

## **Objectives**

- **Resources available - While you will not be expected to have all the answers, we understand your need for information on where to refer people for additional assistance.**
- **Technical issues specific to providers.**
- **The last portion of the broadcast will be a time for you to ask specific questions.**

## Overview

- ABCs of Medicare
- Impact on Dual Eligibles
- Low-Income Assistance
- Considerations & Resources
- Questions & Answers with Panelists

## Medicare Basics

- Part A
- Part B
- Part C (Medicare Advantage)
- Part D

## Discount Card Program

Temporary program

Discounts only (not a benefit)

Cards still an option for savings

Phase-out begins December 31, 2005

- Drug benefit begins as early as January 2006
- Cards effective until May 2006 or when a beneficiary enrolls in prescription drug plan

## Prescription Drug Benefit

- Available to everyone with Medicare
- Medicare contracts with private companies
- Benefits begin as early as January 2006
- Financial aid is available through the Social Security administration (income restrictions apply)

## Eligibility and Enrollment

- Entitled to Part A and/or enrolled in Part B
- Must reside in plan's service area
- Program is voluntary (for most)
- Must enroll with the drug plan
- There is a fee associated with enrollment

## Initial Enrollment Period

- Nov 15, 2005 to May 15, 2006
- For everyone else, similar to the initial enrollment period for Part B
- Penalty of 1% per month added to the monthly premium if
  - enrollment is delayed and
  - beneficiary is without "creditable coverage"

### **Example Of Standard Prescription Drug Coverage**

- Estimated \$32 monthly premium
- \$250 deductible
- Coinsurance of 25% of drug costs from \$250 to \$2,250 (total drug spending)

### **Example Of Standard Prescription Drug Coverage**

- Coverage gap from \$2,250 to \$5,100
  - Beneficiary pays 100% of drug costs
- Catastrophic coverage after \$5,100 (\$3,600 in out-of-pocket costs)
  - Beneficiary pays only 5% of drug costs

### **Dual Eligibles**

- Enrollment is mandatory
- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Automatically “deemed” eligible for subsidy
  - No premiums
  - No coverage gap (donut hole)
  - No deductible
  - Co-pays (\$1/\$3)

### **Dual Eligibles**

- Auto-enrolled in plans if no decision is made
- MEDICAID should not be contacted regarding Part D
- Special enrollment period (continuous)
- Persons receiving Medicaid only will see no change in their benefits

### **Dual Eligibles (In Nursing Homes)**

- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Enrollment in Part D is mandatory
- Automatically “deemed” eligible for subsidy
  - No premiums, deductibles, co-pays or donut hole

### **Dual Eligibles (In Nursing Homes)**

- Auto-enrolled, can change plans at any time
- Contact your pharmacy provider with questions
- Info is still developing on this subject

**Medicare Savings  
Program Enrollees  
(QMB, SLMB, QI-1) < 135% FPL**

- “Deemed” eligible for subsidy
  - Benefits similar to duals, except co-pays \$2/\$5
- Enrollment will be “facilitated”
  - Auto-enrolled if no decision made by May 15, 2006

**Medicare Savings  
Program Enrollees  
(QMB, SLMB, QI-1) < 135% FPL**

- If not enrolled in a MSP, but eligible
  - Should apply for a MSP through Medicaid, then will be deemed eligible for subsidy
  - No new enrollments in QI this year (2005) in Alabama

**Medicare Savings  
Program Enrollees  
(QMB, SLMB, QI-1) < 135% FPL**

- Continuous enrollment period
- Medicaid has no asset test for the MSPs in Alabama

**Low-Income Assistance**

- “Extra help” (in the form of subsidies) is available for persons with limited incomes and assets
- There are sub-groups within the low-income group
- Level of help varies

**Low-Income Beneficiaries  
With Limited Resources  
(≤135%-150% FPL & resources <10K)**

- Two steps
  - APPLY for the subsidy
  - ENROLL in a drug plan to receive benefits
- Reduced or no premium
- Reduced deductible (\$50) or no deductible at all

**Low-Income Beneficiaries  
With Limited Resources  
(≤135%-150% FPL & resources <10K)**

- Lesser co-insurance or co-pays
- No coverage gap
- Better catastrophic coverage
  - \$2/\$5 co-pays after \$5,100 in drug costs reached

### **Considerations**

- **Many variables**
  - Many plans
  - Formularies vary
  - Excluded drugs
  - Other coverage/benefits may be affected
  - Pharmacy participation varies

### **Considerations**

- **Beneficiaries have many responsibilities**
- **Many unknowns**
- **Constant evolution**

### **Resources**

- **Medicare - 24/7**
  - 1-800-MEDICARE
  - [www.medicare.gov](http://www.medicare.gov)
  - [www.cms.hhs.gov](http://www.cms.hhs.gov)
- **Social Security - “extra help”**
  - 1-800-772-1213
  - [www.ssa.gov](http://www.ssa.gov)

### **Resources**

- **SHIP - Medicare Counselors**
  - [www.shiptalk.org](http://www.shiptalk.org)
- **Area Agencies on Aging**
  - 1-800-AGE-LINE (in Alabama)
  - [www.aoa.gov](http://www.aoa.gov) (outside Alabama)

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