

Medicare Prescription Drug Coverage (Part D) Fact Sheet

Part D – General Information

- Medicare's prescription drug benefit, also referred to as Part D, began January 1, 2006
- Beneficiaries choose and enroll in the drug plan of their choice
- Medicare offering assistance to those with limited incomes
 - More information can be found at <http://www.cms.hhs.gov/limitedincomeandresources/>
- Prescription drug plans (PDPs) are available in each state
- Medicare Advantage prescription drug plans (MA-PDs) are available in many states except Alaska and Vermont
- A landscape of local plans by state can be found at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/> under the downloads section
- Anyone with Medicare Part A is eligible
- Anyone with Medicare Part B is eligible
- Anyone with both Medicare Part A and Part B is eligible
- Beneficiaries in a Medicare Advantage plan can choose a MA-PD

Enrollment

- Initial enrollment began November 15, 2005 and ran through May 15, 2006
 - If don't join by May 15, 2005, may be subjected to a higher premium or pay a penalty (Penalty does not apply to beneficiaries having other equivalent drug coverage)
 - **Dual eligibles** (individuals with Medicare & Medicaid) will be automatically enrolled in a plan
 - Prescription drugs will be paid for by Medicare on/after January 1, 2006
- Annual enrollment period will be November 15 through December 31
 - If join *before* December 31, coverage begins January 1
 - If join *after* December 31, 2005, coverage begins the first day of the month after the month joined

Cost

- Pay monthly premiums (will vary depending on plan though the average is \$32)
- Pay a yearly deductible – Standard \$250 (will vary depending on plan)
- Patient pays 25% coinsurance until coverage limit of \$2250 is met
 - Beneficiary is responsible for 100% of costs after \$2250 limit
 - Coinsurance/copays will vary depending on plan
- Beneficiary total out of pocket expense per year - \$3600 (after which the beneficiary pays 5% of costs or some type of limited copay for the remainder of the year)
 - Cost will vary depending on plan
- Medicare offering limited income assistance (may cover premiums and deductibles)
 - Beneficiaries that have Medicare & Medicaid are automatically eligible for assistance
 - Beneficiaries qualify if income in 2005 is less than \$14,355 if single and \$19,245 if married

- Resources must be less than \$11,500 if single and \$23,000 if married (resources do not include home or car)
- Apply through Social Security Administration or State Medical Assistance Office

Options

- Beneficiaries can join
 - a stand alone PDP, which would add a drug benefit to traditional Medicare
 - a Medicare Advantage prescription drug plan or other Medicare health plan with prescription drug coverage

Quick Drug Facts

- PDPs cover brand names and generic drugs (will vary amongst policies)
- Part D does not affect coverage of Part B drugs (drugs covered under Part B will remain covered as Part B drugs)
 - Information clarifying whether drugs are covered under Part B versus Part D can be found at http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/Downloads/PartBandPartDdoc_07.27.05.pdf
 - CMS recommendations for writing prescriptions can be found on ASCO's site at <http://www.asco.org/ASCO/Downloads/Cancer%20Policy%20and%20Clinical%20Affairs/MMA%20Regulations%20and%20Resources/CMS%20language%20on%20B-D%20drugs%20for%20distribution.pdf>
- PDPs must provide coverage under “cancer drugs/antineoplastic” category; however, not all drugs will be covered
- PDPs must have an exception process for formularies
 - Detailed information on the exceptions process can be found at http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/04_Formulary.asp#TopOfPage

Resources

- Medicare & You Handbook for beneficiaries - <http://www.medicare.gov/publications/pubs/pdf/10050.pdf>
- Medicare.gov - <http://www.medicare.gov/>
 - Call Medicare at 1-800-MEDICARE or 1-800-633-4227
 - Medicare Prescription Drug Plan Finder - <http://www.medicare.gov/MPDPF/Public/Include/DataSection/Questions/MPDPFIntro.asp?version=default&browser=IE%7C6%7CWinXP&language=English&defaultstatus=0&pagelist=Home&ViewType=Public&PDPYear=2006&MAPDYear=2006&MPDPF%5FMPPF%5FIntegrate=N>
 - Formulary (Drug) Finder - <http://formularyfinder.medicare.gov/formularyfinder/selectstate.asp>
- State Health Insurance Assistance Programs (SHIP) - <http://www.medicare.gov/contacts/Static/SHIPs.asp>
- CMS website - <http://www.cms.hhs.gov/>
- CMS Partnership website - <http://www.cms.hhs.gov/partnerships/>