FACT SHEET: Medicare Part D Information for Professionals

This fact sheet provides an overview of the most common questions a professional may be asked about Medicare Prescription Drug Coverage. We hope you find it helpful.

Eligibility

In 2006, Medicare began offering insurance to pay for prescription drugs. Anyone with Medicare is eligible for Part D coverage. Even Part A-only or Part B-only enrollees can join a Prescription Drug Plan. To get this insurance coverage for prescription medications, a person must join either a Stand-Alone Drug Plan or a Medicare Advantage Plan with Drug Coverage. Medicare Advantage Plan enrollment requires the beneficiary be enrolled in Part A and Part B.

Enrollment/Special Enrollment Periods

When someone becomes eligible for Medicare benefits, enrollment in a Part D plan can be done the month before their Medicare benefits are to start to get the earliest effective date, but they have another three months to join after their date of Medicare eligibility. Beneficiaries are allowed to change prescription drug plans every year during the Annual Open Enrollment Period from Nov. 15th to Dec. 31st and also during special enrollment periods. Medicare establishes basic coverage limits for all Prescription Drug coverage annually, such as the deductible and out of pocket maximum. Prescription Drug Plans are allowed to change their offered benefits, formularies and service areas every year. Thus all beneficiaries should compare their drug plan options yearly in order to make sure their medications are covered and to check which plan offers them the most coverage at the lowest price.

When a beneficiary misses the Annual Open Enrollment Period, Medicare does allow some Special Enrollment Periods (SEP). One example would be a beneficiary permanently moves to another state. This situation requires they change plans and allows them a special time period to make the change. Another SEP is available to anyone who moves into, resides in or moves out of a Nursing Home. Medicare allows them to make a change during any of these situations. There are other SEPs. For more information about when a beneficiary can make a change or join a Part D plan, call CLAIM at 1-800-390-3330 or Medicare at 1-800-633-4227. You can also find information on the enrollment section of Prescription Drug Plan Finder.

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Compare

Medicare.gov is the best place to compare available Medicare Part D drug plans. It has information about all plans available to the beneficiary. Use the "Drug Plan Finder Tool" to check what medications are on a drug plan's formulary, cost sharing, pharmacy preferences and coverage restrictions. All of these can impact a beneficiary's decision in choosing the best plan for them. Remember, in most cases, changes must be made during the Annual Open Enrollment Period (Nov. 15 through Dec. 31).

How to Help Someone Enroll

Medicare.gov can also be used to enroll a beneficiary into a Part D plan. This process is easy to use and provides a confirmation number to the enrollee in order to track their enrollment if necessary. A person may also contact the plan directly to enroll, call Medicare at 1-800-633-4227 or call CLAIM at 1-800-390-3330.

The Penalty

As with all Medicare coverage there is a penalty for late enrollment. Medicare started applying penalties in June of 2006, after the May 15th deadline for enrollment, for anyone already enrolled in Medicare without other creditable drug coverage. The penalty is 1% of the national average premium multiplied by the number of months that a beneficiary was eligible for Part D and did not have other credible drug coverage. As an example a person eligible in June 2006 who did not have credible coverage and did not enroll until December 2008 will pay a 31% penalty. Individuals that qualify for the low-income subsidy or MO HealthNet benefits will have any accrued penalties waived. Medicare determines the penalty amount.

Extra Help

The low-income subsidy (LIS) for Medicare beneficiaries pays for prescription medications for those with lower income and assets. The LIS helps pay prescription drug expenses only, even for those enrolled in Medicare Advantage Plans with drug coverage. The Social Security Administration determines eligibility.

The amount of assistance can vary by income and assets. Those with incomes and assets near the maximums will have a reduced deductible and co-pays of 15% for covered medications. There is no gap in coverage for any person enrolled in LIS and they are allowed to change plans at any time.

Many who are eligible for LIS also qualify for other programs, such as the Medicare Savings Programs. These help pay for, at the least, Part B premiums. Eligibility for the Medicare Saving Programs is determined by MO HealthNet. Visit www.MissouriCLAIM.org, for more information about these programs. Enrollment in LIS or the Medicare Savings Programs can be done at any time.

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Impact on Other Assistance

Beneficiaries receiving other types of public assistance (HUD housing, food stamps, and those on MO HealthNet Spend-Down) may have changes in the amount of assistance they receive from these programs. All of these programs take into account the amount a beneficiary spends on monthly medical expenses toward their eligibility. With low-income subsidy (LIS) and Part D benefits, they may not have to pay for a Part D plan premium or will have a reduced premium. They may have little or no deductible and small co-payments when filling their prescriptions. The amounts previously calculated on medication expenses will be greatly reduced in most cases. Thus the amount of rent assistance and food stamps will be reduced; however, in most cases the savings from not having high prescription drug costs is greater than the other assistance lost.

Missouri Rx (MoRx)

MoRx is additional assistance with Part D cost sharing. It is available to all Missouri residents enrolled in Part D coverage that meet income requirements. Unlike the LIS program, assets are not counted. MoRx will pay half of all deductibles and co-pays, even in the coverage gap. It is a State Pharmacy Assistance Program (SPAP), so drug plans must count anything MoRx pays toward the out-of-pocket maximum. Make sure the beneficiary's Part D plan is aware of their enrollment in MoRx. It should be listed on the enrollment application as other coverage. Enrollment is always open and there is no fee or cost for those who qualify.

Veteran Benefits

A Medicare beneficiary that uses the Veterans' Administration for his or her regular medical appointments and receives medications though the VA can still join a Medicare Prescription Drug Plan or Medicare Advantage Plan with drug coverage. (To join a Medicare Advantage plan the beneficiary must be enrolled in Medicare Part A and B.) Only one plan will pay for a medication; a beneficiary must use VA coverage or their Medicare Part D coverage.

Veterans that chose not to join a Medicare Drug Plan in the past can enroll in a plan during Annual Open Enrollment November 15th to December 31st. They will not be subject to the late enrollment penalty because VA coverage is considered to be credible to Part D coverage. Veterans who lose prescription coverage through the VA are allowed a special enrollment period to join a drug plan, usually 60 days from the loss of coverage.

Employer Group Health Plans (EGHP) with Prescription Drug Coverage

Medicare prescription coverage will coordinate benefits with any other insurance. If a beneficiary has coverage via an EGHP and that coverage is considered to be as good as or better than Part D coverage, a beneficiary does not have to join. To determine this, compare the EGHP prescription drug benefits to the yearly basic Medicare Part D coverage. In some cases, if a beneficiary does

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enroll in Part D coverage, it will cancel the EGHP coverage. A beneficiary should always check with their EGHP before joining a Part D plan. If enrollment is allowed by the EGHP, the company that pays first for their medical coverage will be the first payer of medications.

Appeals

As with all Medicare benefits the beneficiary has the right to appeal any denied claims. The first appeal is submitted to the Prescription Drug Plan or Medicare Advantage Plan, if applicable. Information on how to file an appeal will be contained in the plan's handbook and/or in the denial notice. If the appeal is not successful the denial notice will inform the beneficiary how to further appeal the claim. The Independent Review Entity completes the second level review.

Complaints & Concerns

If a beneficiary has a complaint about services provided by their drug plan they can file a complaint with the plan itself and/or with Medicare through 1-800-633-4227. Potential concerns could include a person does not get the correct number of pills, a pharmacy does not apply the correct price to a prescription, or a plan misrepresents their coverage. To report potential fraud, waste or abuse for Part D contact SGS MEDIC North. Suspected fraud can also be reported to the Missouri SMP (see "Important Web Sites and Phone Numbers").

Coverage in the Gap

If a person reaches the gap in coverage, they should be screened for the Low-Income Subsidy, MO HealthNet, Medicare Savings Programs and Missouri Rx benefits. There are also pharmaceutical company assistance programs that may help provide some of the beneficiary's higher cost medications. A few web sites that may be helpful in locating these programs include www.rxassit.org, www. needymeds.com, www.pparx.org.

Important Web Sites and Phone Numbers

- CLAIM Program: 1-800-390-3330 www.missouriclaim.org
- Medicare: 1-800-633-4227 www.medicare.gov
- Social Security Administration: 1-800-772-1213 www.socialsecurity.gov
- Missouri Rx: 1-800-375-1406 www.morx.mo.gov
- MO HealthNet: 1-800-392-2161 www.dss.mo.gov
- SGS MEDIC North: 1-877-772-3379
- Missouri SMP: 1-888-515-6565

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