

Medicare Part D: Prescription Drug Plan Benefit

The Medicare Prescription Drug Plans, also called PDPs, are provided by private companies that sell plans approved by Medicare. You can identify an approved plan by the MedicareRx logo. All people new to Medicare have a seven month window to enroll in a Medicare Part D drug plan – three months before, the month of, and three months after their Medicare becomes effective. Remember, the month you enroll will affect the month your PDP is effective.

All people with Medicare are eligible to enroll in a PDP, regardless of income or assets; however, unless they are new to Medicare or are entitled to a Special Enrollment Period, they must enroll during the Annual Election Period (AEP) which is October 15 through December 7. Options and features will vary from plan to plan such as drug lists with generic and brand name medications, drug prior approval requirements, and deductible and co-payment structures. You can only select one Medicare PDP. All of these differences will have a direct impact on the plan premium. Beneficiaries will want to compare plans and select the one plan that best meets their individual needs, such as, all your prescriptions are on the plan’s list of covered drugs, you can use your preferred pharmacy, and the premium is affordable. For assistance in understanding and enrolling in a Medicare PDP, please refer to your current **Medicare & You Handbook**, which is published by the Centers for Medicare and Medicaid Services (CMS). Or you can visit the Medicare Web site at www.Medicare.gov or contact SHIIP at **1-800-443-9354**.

NOTE: If you do not enroll in a Medicare PDP when you become eligible and do not have creditable drug coverage in place, you will pay a penalty for life when you do enroll in a PDP during the AEP.

In North Carolina there are several approved companies offering PDPs. Some of the companies offer plans that have national coverage, which is especially important for beneficiaries who have residences in more than one state. Some plans are sold as stand-alone insurance products while others are offered through Medicare Advantage options such as HMOs, PPOs and Private-Fee-For Service (PFFS) plans. All plans may not be identical, but companies are required to offer benefits that are at least equal to Medicare’s Standard PDP model of coverage outlined below.

There is assistance available for people with Medicare who have limited incomes and resources. If they qualify, they can receive assistance with premiums, deductibles and co-payments for their prescriptions. If someone has a monthly income below **\$1,436.25** as an individual or **\$1,938.75** as a married couple living together and assets lower than **\$13,300** as an individual or **\$26,580** as a married couple living together (includes \$1,500/person funeral or burial expense), they can visit their local Social Security office, call Social Security toll free at **1-800-772-1213**, visit www.socialsecurity.gov, or request an extra help assistance application by contacting SHIIP. People who qualify for any level of Medicaid automatically qualify for LIS and do not need to apply.

NOTE: If you applied for extra help and received a letter stating that you do not qualify for assistance, you are still eligible to enroll in a PDP but will be responsible for paying the premiums, deductibles and co-payments.

PART D STANDARD DRUG COVERAGE FOR 2014

All plans must at least provide the following benefits but may offer more:

During	You Pay	Until
Deductible Period	Full cost of drug	\$310
Coverage Period	Co-payment as set by the plan for covered medications	Full drug costs reach \$2,850
The Donut Hole (Coverage Gap)	47.5% of name brands, 72% of generics for covered medications	Your out-of-pocket co-payments and 50% of the cost of name brand drugs purchased during the gap reach \$4,550
Catastrophic	5% of your drug costs, or \$2.55 for generics and \$6.35 for name brands (whichever is greater)	End of benefit year

Some Medicare prescription drug plans may have additional options to help pay for out-of-pocket costs.