

Medicare Part D

When Medicare Part D first went into effect in January 2006, many people found it more than a little confusing. Maybe you still don't understand how it all works. Let me try to help answer some of your questions.

Medicare Part D allows you to get part of your prescription drugs paid through insurance, no matter what your income, illnesses, or drug costs. You are eligible for this program if you are eligible for Medicare, which you can join during the three months before or three months after your 65th birthday. Then you can sign up or switch plans during open enrollment each year—between November 15 and December 31. Your new coverage begins on January 1 of the following year. If you sign up after open enrollment, you may have to pay a penalty.

Coverage for Medicare Part D is set up by private insurance companies. There are two main types of Medicare plans:

- Medicare Prescription Drug Plans. These cover prescription drugs only.
- Medicare Advantage Plans with Prescription Drug coverage. These cover both medical care and prescription drugs. Examples include health maintenance organizations, preferred provider organizations, or private fee-for-service plans.

As you make your choice, consider whether you only need prescription coverage or you need it combined with medical care.

Each plan has a list of the drugs it covers, how much you pay for each one, and any limits to getting a particular drug. This is called a formulary. Write down a list of your drugs and pick a plan that covers most of them. If your drug is not on the list, you may have to pay full price, switch to a similar drug, or apply for an exception.

You can compare plans at www.medicare.gov or 1-800-MEDICARE, using the Medicare.gov Prescription Drug Plan Finder. Or, call the Medicare phone number to get your local State Health Insurance Assistance Programs (SHIP) number.

Choose two or three plans, and then call each plan for more information.

As for the cost involved, it's a bit of a Rubik's cube to decipher. Of course it varies, depending on the plan you choose. However, most plans charge a monthly premium of about \$28, with a \$275 deductible and co-pay for each drug. If you think you qualify for financial help, contact the Social Security Administration at 1-800-772-1213. You may qualify if you have an income of \$15,315 or less (\$20,535 for a couple).

If you don't qualify for extra help, your plan may include a "coverage gap," which is sometimes called a "donut hole." Here's how it works: After you and your plan have spent \$2,510 on prescription drugs, you have to pay all of the next \$3,216 prescription

drug costs yourself. Once that is paid, you have what's called catastrophic coverage, where you pay only a small amount for the rest of the year.

Need more information? I'd be glad to answer your questions. Or, you can look here: National Council on Aging: www.mymedicarematters.org/ and the official site for people with Medicare: www.medicare.org/.
