

MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions

Q: On July 30, the Medicare program turned 40 year old. Medicare has evolved from a health insurance program of treatment to recently one of preventive care and soon prescription drug coverage. Why is this so significant and what do people with Medicare need to know about this new coverage? Also, tell me about the recently known great news that Medicare prescription drug monthly premiums for this upcoming coverage will be lower than expected.

A: When Medicare and Medicaid were enacted in 1965, health insurance was created to help seniors with the costs of hospital stays, Medicare Part A; and medically necessary physician and outpatient services, Medicare Part B; and Medicaid which covered low-income people.

And although over the years Congress added new benefits, rules, and regulations to these two programs, the programs have not kept up with some of the most significant changes in modern medicine. In December 2003, new legislation enacted by Congress, the Medicare Modernization Act (MMA), updated the Medicare program by adding some significant new preventive benefits that include:

- the new Welcome to Medicare physical so that problems can be detected and treated as early as possible, This welcome to Medicare physical is for newly enrolled Medicare beneficiaries within the first 6 months of their initial enrollment.
- diabetes screening
- and cardio-vascular screening

Medicare spends billions of dollars each and every year treating the complications of diabetes and cardio-vascular disease. With these new preventive services doctors can not only find problems early, when they are easier to treat, but also by doing so we can help people with Medicare lead longer, more productive lives.

Even more significant, through the recent legislation, the Medicare Modernization Act, Congress also added prescription drug coverage to the Medicare program to begin on January 1, 2006. Medicare prescription drug coverage will make it easier for people to pay for the prescription drugs their doctor tells them they need to stay healthy.

So, the Medicare program has evolved from treatment to preventive care and now prescriptions.

Right now, *all* people with Medicare need to know that:

- Everyone with Medicare is eligible for the new prescription drug coverage, regardless of income level and resources, pre-existing conditions, or current prescription expenses.
- Medicare prescription drug coverage can help by covering both brand name and generic drugs at participating pharmacies close to where one lives. A typical person with Medicare could see his or her total drug spending drop by about 50% and people with limited income and resources will have almost no drug expenses.

- Medicare prescription drug coverage is insurance from private companies. People with Medicare will choose a drug plan and pay a monthly premium. When they join a plan, Medicare helps pay the bill.
- As with any insurance program, one will have options. Later this fall, all people with Medicare will receive information on what their drug plan options are for the area in which they live. Although these plans will meet Medicare's stringent requirements, they may differ in terms of cost and coverage. If one already has drug coverage through an employer or union plan or Medicare Health Plan (Medicare Advantage plan or Medicare Cost plan), Medicare can provide help with its cost.
- And, just recently, the Centers for Medicare & Medicaid Services (CMS), the federal Medicare agency contracting with the drug plans, announced that because of robust competition among the drug plans that will be offered, the monthly premiums will be lower than projected, about \$5 less per month than previously estimated. An average premium may be about \$32.20 a month instead of \$37. And, some of these prescription drug plans may also attract people with Medicare to join their plan over others by offering an even lower monthly premium than this, or coverage that goes beyond the standard Medicare benefit that all plans must offer. So, offering multiple Medicare prescription drug plan choices in each area will help people with Medicare even more with their prescription drug costs.
- People with Medicare can join a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. They can choose to enroll, but they must join to get coverage. If they do not sign up with a plan by May 15, they may have to pay a penalty. Enrolling by May 15, 2006 means that they pay a lower monthly premium than if they join later unless they currently have a prescription drug plan that is on average coverage at least as good as Medicare's.
- If one signs up before December 31, 2005 their coverage will begin January 1, 2006. If one signs up any other time their coverage will begin the first day of the following month.
- If you think you qualify for extra help with your drug costs, based on having limited income and resources, but you have not received an application in the mail from Social Security one can contact their local Social Security field office or call the national Social Security toll-free # which is: 1-800-772-1213. The Social Security Administration is in charge of enrolling people who have limited income and resources for the program that will provide even more help with their drug costs, while enrolled in a Medicare prescription drug plan.

To learn more about the new Medicare prescription drug coverage call 1-800-MEDICARE or visit www.medicare.gov. Beginning August 15, stay tuned for national television broadcasts and print advertisements titled, "Help is Here."