

Should I Enroll in the New Medicare Prescription Drug Benefit?

A Guide for Iowa Medicare Beneficiaries and Caregivers

Deciding whether or not to receive prescription drug coverage through the new Medicare prescription drug benefit is an important decision. The benefit, often called Medicare Part D, will be available through private plans. You can enroll in a plan as early as Nov. 15, 2005, with coverage effective on Jan. 1, 2006. The following questions will help you make your decision.

1. Are you currently receiving both Medicare and full Medical Assistance (Medicaid) benefits?

If yes, as of Dec. 31, 2005, Iowa's Medical Assistance program will no longer pay for *most* of your prescription drugs. Starting on Jan. 1, 2006, the new Medicare prescription drug benefit (Part D) will cover most of your prescription drugs.

- If you reside in the community and receive home and community-based services (HCBS) through a Medicaid waiver, you will be charged a small co-pay for your drugs: \$2.00 for generic or preferred-brand drugs and \$5.00 for all other drugs.
- If you reside in the community and receive full Medicaid benefits (that are not provided through a HCBS waiver), you will be charged a small co-pay for your drugs: \$1.00 for generic or preferred-brand drugs and \$3.00 for all other drugs.
- If you reside in a skilled nursing facility or a nursing facility, your prescriptions will be free.

Medicare will automatically assign you to a plan this October. Beginning on Nov. 15, 2005, you can change plans at anytime. If you do not change plans before Dec. 31, 2005, you will remain in your assigned plan, with coverage effective on Jan. 1, 2006.

If you have both Medicare and Medicaid and you do not receive a letter from Medicare by the end of October, call the Iowa Department of Human Services at 1-800-972-2017 (?). The Iowa Senior Health Insurance Information Program (SHIIP) can also help you.

2. Do you have prescription drug coverage from a former employer or union?

If you have prescription drug coverage from a former employer or union, you *may* not need to enroll in a Medicare prescription drug plan. You should receive a notice this fall, between Sept. 15 and Nov. 15, from your former employer or union. The notice will tell you if your current drug coverage is "creditable," or at least as good as the standard prescription drug benefit.

- If your coverage is not creditable, you may want to enroll in a Part D plan. If you do not enroll in a plan by the end of the initial enrollment period (Nov. 15, 2005-May 15, 2006), you will have to pay a late enrollment penalty if you enroll in a Part D plan later.
- If your coverage is creditable, you do not need to enroll in a Medicare Part D plan. If you enroll in a plan later, you will not have a penalty.

If you do not receive a “creditable coverage” notice from your former employer or union by Nov. 15, 2005, you should contact the Human Resources Department at your former employer or union.

3. Do you have prescription drug coverage through the Veterans Administration?

Prescription drug coverage provided to you by the Veterans Administration (VA) is “creditable coverage,” or at least as good as the standard Medicare Part D benefit. The VA will send you a “creditable coverage” notice this fall, between Sept. 15 and Nov. 15.

- Because your VA coverage is creditable, you do not need to enroll in a Medicare Part D plan. If you decide to enroll in a plan later, you will not have a late enrollment penalty.

If you do not receive a “creditable coverage” notice from the VA by Nov. 15, 2005, you should call the VA Health Benefits Service Center at 1-877-222-8387.

4. Do you have prescription drug coverage through TRICARE or the Federal Employees Health Benefits Program (FEHBP)?

Prescription drug coverage provided by TRICARE and Federal Employees Health Benefits Program (FEHBP) is “creditable” coverage, or at least as good as the standard Medicare Part D benefit. TRICARE and FEHBP will send you a “creditable coverage” notice, between Sept. 15 and Nov. 15.

- Because your coverage is creditable, you do not need to enroll in a Medicare Part D plan. If you decide to enroll in a plan later, you will not have a late enrollment penalty.

If you do not receive a “creditable coverage” notice from TRICARE or FEHBP by Nov. 15, 2005, you should contact them.

5. Do you have a Medigap policy with prescription drug coverage (H, I, J)?

If you have prescription drug coverage through a Medigap H, I, or J policy, you will need to make a decision about how you would like to receive your prescription drugs. You can choose to continue receiving prescription drug coverage through your Medigap H, I, or J policy, or you can enroll in the Medicare prescription drug benefit.

Your Medigap insurer will send you a letter between Sept. 15 and Nov. 15 of this year to explain your options. The notice will also indicate if your Medigap prescription drug coverage is creditable (or at least as good as the standard Medicare prescription drug benefit). **It is highly unlikely that any of the Medigap H, I, or J policies will be creditable.**

- If you choose to keep your Medigap prescription drug coverage (and it is not creditable) and you do not enroll in a plan by the end of the initial enrollment period (Nov. 15, 2005-May 15, 2006), you will have to pay a late enrollment penalty if you enroll in a Part D plan later.
- If you decide to enroll in a Medicare prescription drug plan, you may keep your Medigap H, I, or J policy, but you must drop the prescription drug coverage. You will also have the option of enrolling in some of the other types of Medigap policies offered by the same insurance company.

If you do not receive a “creditable coverage” notice from your Medigap insurer by Nov. 15, 2005, you should contact them.

6. Do you use a Medicare-approved drug discount card or other discount card to purchase your prescription drugs?

If you are currently using a Medicare-approved drug discount card or other discount card and you do not have any other prescription drug coverage, you should consider enrolling in a Medicare prescription drug plan.

If you have limited income and resources, you may be able to get extra help paying for your prescriptions if you enroll in a Medicare prescription drug plan.

7. Do you receive your prescriptions from a drug company's patient assistance program?

If you are currently receiving your prescriptions from a drug company's patient assistance program and you do not have any other prescription drug coverage, you should consider enrolling in a Medicare prescription drug plan.

If you have limited income and resources, you may be able to get extra help paying for your prescriptions if you enroll in a Medicare prescription drug plan.

8. Where can I find out more about the Medicare prescription drug benefit?

If you need help deciding if the Medicare prescription drug benefit is for you, call the **Iowa Senior Insurance Information Program (SHIIP)** at **1-800-351-4664**. SHIIP **free information and counseling** to Medicare beneficiaries and their caregivers.