

**Medicare Part D Fact Sheet:
Prescription Drug Plans in Iowa, Minnesota, Montana, North Dakota,
Nebraska, South Dakota, and Wyoming**

August 29, 2005

OVERVIEW

- Every one of the more than 498,000 Medicare beneficiaries in the state of Iowa, 712,000 beneficiaries in Minnesota, 150,000 beneficiaries in Montana, 105,000 beneficiaries in North Dakota, 265,000 beneficiaries in Nebraska, 127,000 beneficiaries in South Dakota, and 72,000 beneficiaries in Wyoming can choose to enroll in the voluntary Medicare prescription drug coverage beginning on November 15. While Medicare's negotiations for these plan choices are not yet finalized, it is clear that a range of drug plans will be competing aggressively to serve Medicare beneficiaries. By choosing the plan that best meets their needs, beneficiaries in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming can take advantage of options that include lower premiums and additional benefits. And all plans must meet Medicare's standards for access to medically necessary drugs and convenient pharmacies.

PRESCRIPTION DRUG PLANS

- Approximately 17 organizations will offer stand-alone prescription drug plans throughout Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming in 2006.

Premiums

- The monthly premium, which is the amount of money that the Prescription Drug Plan will cost each month, can vary between plans depending on the type and level of coverage offered. Of the stand-alone Prescription Drug Plans available in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming, about 4 plans will have monthly premiums under \$20, about 5 plans will have monthly premiums between \$20 and \$25, about 6 plans will have monthly premiums between \$25 and \$30, and about 13 plans will have premiums between \$30 and \$35.

Benefit Options

- Many of the available plan options have zero deductibles or deductibles lower than the \$250 deductible in the "standard" Medicare benefit. Plans with no deductibles provide help with drug costs starting with the first dollar that a beneficiary spends.
- Many of the plan options are "enhanced" plans that offer additional benefits beyond Medicare's standard drug coverage. Some of these enhanced plans have monthly premiums of less than \$30. An example of an enhanced benefit that will be available in Iowa, Minnesota, Montana,

North Dakota, Nebraska, South Dakota, and Wyoming includes coverage for generic drugs in the coverage gap.

Access to Needed Drug Treatments

- All of the prescription drug plans in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming, regardless of their premium and other benefits, must meet Medicare's standards for access to drugs that Medicare beneficiaries need. This includes coverage of essentially all drugs in six categories of treatments (drugs for mental illnesses including antidepressants, antipsychotics, and anticonvulsants; drugs for HIV/AIDS; drugs for cancer; and drugs affecting the immune system) and coverage of medically necessary treatments in all other categories of prescription drugs.
- All of the prescription drug plans in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming will meet Medicare's standards for access to pharmacies – including convenient neighborhood pharmacies, pharmacies serving all beneficiaries in long-term care facilities, and pharmacies providing home infusion treatments. Most of the Prescription Drug Plans in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming will also offer the option of using mail-order prescription services.

Zero-Premium Prescription Drug Plans for Beneficiaries with Limited Means

- Medicare beneficiaries with limited means who qualify for the full low-income subsidy in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming will be able to choose plans from approximately 10 organizations that will have a zero premium.
- Medicare and Medicaid dual-eligible beneficiaries in Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, and Wyoming who do not select a Prescription Drug Plan will be automatically enrolled into one of these plans by November, so that they do not miss a day of coverage. These beneficiaries can switch plans at any time, before or after January 1.
- Beneficiaries who enroll in the low-income subsidy will be automatically enrolled in one of these zero-premium prescription drug plans in spring 2006, if they do not choose a plan on their own.

MEDICARE ADVANTAGE PRESCRIPTION DRUG PLANS

- All beneficiaries in this region will have access to a Regional Preferred Provider Organization (PPO). In addition, all eligible beneficiaries in Minnesota, 71% of eligible beneficiaries in Montana, and 31% of eligible beneficiaries in Nebraska will have access to a Medicare Advantage plan offering prescription drug coverage.

- Many of these Medicare Advantage plans will offer additional coverage beyond the standard Medicare benefit, including low or no deductibles and additional coverage.
- Several of these Medicare Advantage plans will provide this coverage for a prescription drug premium of \$20 or even less. Note that the overall premium for Medicare Advantage plans is for both health care and prescription drug coverage and will likely be higher than the drug premium by itself.
- The prescription drug plans offered by Medicare Advantage Plans generally must meet the same requirements for access to medically necessary drugs and pharmacies as the stand-alone prescription drug plans.