ABCs of Medicare Part D

Satellite Conference
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Produced by the Alabama Department of Public Health
Video Communications and Distance Learning Division

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Objectives

• Basics of new prescription drug benefit including benefits to be offered, enrollment process, etc.

• Timetable for the roll out - when beneficiaries will be contacted about subsidies, about plans, about their current insurance policy comparison.

Objectives

• Possible areas of confusion:
  What happens to dual eligible beneficiaries (those on Medicaid and Medicare)?

  What is the difference in Medicare Part D and the new Medicare Advantage Plans?

Objectives

• Resources available - While you will not be expected to have all the answers, we understand your need for information on where to refer people for additional assistance.

• Technical issues specific to providers.

• The last portion of the broadcast will be a time for you to ask specific questions.
Overview

- ABCs of Medicare
- Impact on Dual Eligibles
- Low-Income Assistance
- Considerations & Resources
- Questions & Answers with Panelists

Medicare Basics

- Part A
- Part B
- Part C (Medicare Advantage)
- Part D

Discount Card Program

Temporary program
Discounts only (not a benefit)
Cards still an option for savings
Phase-out begins December 31, 2005
- Drug benefit begins as early as January 2006
- Cards effective until May 2006 or when a beneficiary enrolls in prescription drug plan

Prescription Drug Benefit

- Available to everyone with Medicare
- Medicare contracts with private companies
- Benefits begin as early as January 2006
- Financial aid is available through the Social Security administration (income restrictions apply)

Eligibility and Enrollment

- Entitled to Part A and/or enrolled in Part B
- Must reside in plan’s service area
- Program is voluntary (for most)
- Must enroll with the drug plan
- There is a fee associated with enrollment

Initial Enrollment Period

- Nov 15, 2005 to May 15, 2006
- For everyone else, similar to the initial enrollment period for Part B
- Penalty of 1% per month added to the monthly premium if
  - enrollment is delayed and
  - beneficiary is without “creditable coverage”
Example Of Standard Prescription Drug Coverage

- Estimated $32 monthly premium
- $250 deductible
- Coinsurance of 25% of drug costs from $250 to $2,250 (total drug spending)

Example Of Standard Prescription Drug Coverage

- Coverage gap from $2,250 to $5,100
  - Beneficiary pays 100% of drug costs
- Catastrophic coverage after $5,100 ($3,600 in out-of-pocket costs)
  - Beneficiary pays only 5% of drug costs

Dual Eligibles

- Enrollment is mandatory
- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Automatically “deemed” eligible for subsidy
  - No premiums
  - No coverage gap (donut hole)
  - No deductible
  - Co-pays ($1/$3)

Dual Eligibles

- Auto-enrolled in plans if no decision is made
- MEDICAID should not be contacted regarding Part D
- Special enrollment period (continuous)
- Persons receiving Medicaid only will see no change in their benefits

Dual Eligibles (In Nursing Homes)

- Medicaid stops paying for [most] prescription drugs after December 31, 2005
- Enrollment in Part D is mandatory
- Automatically “deemed” eligible for subsidy
  - No premiums, deductibles, co-pays or donut hole

Dual Eligibles (In Nursing Homes)

- Auto-enrolled, can change plans at any time
- Contact your pharmacy provider with questions
- Info is still developing on this subject
Medicare Savings Program Enrollees (QMB, SLMB, QI-1) < 135% FPL

- “Deemed” eligible for subsidy
  - Benefits similar to duals, except co-pays $2/$5
- Enrollment will be “facilitated”
  - Auto-enrolled if no decision made by May 15, 2006

Medicare Savings Program Enrollees (QMB, SLMB, QI-1) < 135% FPL

- If not enrolled in a MSP, but eligible
  - Should apply for a MSP through Medicaid, then will be deemed eligible for subsidy
  - No new enrollments in QI this year (2005) in Alabama

Low-Income Assistance

- “Extra help” (in the form of subsidies) is available for persons with limited incomes and assets
- There are sub-groups within the low-income group
- Level of help varies

Low-Income Beneficiaries With Limited Resources (≤135%-150% FPL & resources <10K)

- Two steps
  - APPLY for the subsidy
  - ENROLL in a drug plan to receive benefits
- Reduced or no premium
- Reduced deductible ($50) or no deductible at all

Low-Income Beneficiaries With Limited Resources (≤135%-150% FPL & resources <10K)

- Lesser co-insurance or co-pays
- No coverage gap
- Better catastrophic coverage
  - $2/$5 co-pays after $5,100 in drug costs reached
Considerations

- Many variables
  - Many plans
  - Formularies vary
  - Excluded drugs
  - Other coverage/benefits may be affected
  - Pharmacy participation varies

Considerations

- Beneficiaries have many responsibilities
- Many unknowns
- Constant evolution

Resources

- Medicare - 24/7
  - 1-800-MEDICARE
  - www.medicare.gov
  - www.cms.hhs.gov
- Social Security - “extra help”
  - 1-800-772-1213
  - www.ssa.gov

Resources

- SHIP - Medicare Counselors
  - www.shiptalk.org
- Area Agencies on Aging
  - 1-800-AGE-LINE (in Alabama)
  - www.aoa.gov (outside Alabama)

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