

CENTERS FOR MEDICARE & MEDICAID SERVICES

Introducing Medicare's New Coverage for Prescription Drugs



Starting January 1, 2006

Medicare will soon be offering insurance coverage for prescription drugs through Medicare prescription drug plans. Insurance companies and other private companies will work with Medicare to offer these plans. These plans will help you save money on your prescription drug costs. Medical practice has come to rely more and more on new drug therapies to treat chronic conditions and out-of-pocket spending on drugs has increased dramatically.

In order to get this prescription coverage, you must choose and enroll in a Medicare prescription drug plan that meets your needs. Here's how you can get ready to take advantage of this new option.

- Look over your current health insurance coverage. Are prescription drugs covered? What are your out-of-pocket drug costs?
- Keep a list of the name, dosage, and cost of the prescriptions you use. Since different plans will cover different drugs, this will help you choose a plan that meets your prescription needs.
- If you have a limited income, check your mail this summer for an application to get extra help paying for a Medicare prescription drug plan. When you get this application, fill it out, and return it. Millions of people will qualify for a Medicare prescription drug plan with little or no premiums or deductibles, and low copayments. You might be one of them.
- If you have prescription drug coverage through a former employer or union, check with your benefits administrator. Medicare prescription drug coverage may be different for you.
- Read on to learn about Medicare prescription drug plans.

If you don't use a lot of prescription drugs now, you still should consider joining. As we age, most people need prescription drugs to stay healthy. For most people, joining now means you will pay a lower monthly premium than if you wait to join until later.

Who can join?

Anyone with Medicare Part A **and/or** Part B can join a Medicare prescription drug plan offered in their area. If you are in a Medicare Advantage Plan (like an HMO or PPO), your plan may also offer drug coverage.

When can I join?

If you currently have Medicare Part A **and/or** Part B, you can join a Medicare prescription drug plan between November 15, 2005 and May 15, 2006. If you join by December 31, 2005, your Medicare prescription drug plan coverage will begin on January 1, 2006, and you won't miss a day of coverage. If you join after that, your coverage will be effective the first day of the month after the month you join. If you join a Medicare prescription drug plan after May 15, 2006, you are likely to pay a higher monthly premium unless you currently have a drug plan that covers at least as much as a Medicare prescription drug plan. You will have to pay this higher premium as long as you have a Medicare prescription drug plan.

How much does it cost?

Like other insurance, if you join, you will pay a monthly premium (generally around \$37 in 2006) and a yearly deductible (up to \$250 in 2006). You will also pay a part of the cost for your prescriptions, including a copayment or coinsurance. Costs will vary depending on which drug plan you choose. Some plans may offer more coverage and additional drugs for a higher monthly premium. If you have limited income and resources, and qualify for extra help, you may not have to pay a premium or deductible.

When can I get more information?

Detailed information about Medicare prescription drug plans in your area will be available in the fall of 2005. Throughout 2005, Medicare will provide general information to help you get ready, including how to choose and join a plan that meets your needs. **In the fall of 2005,**

- you will get the "Medicare & You 2006" handbook in the mail. It will list the Medicare prescription drug plans available in your area.
- you will be able to get free personalized information at www.medicare.gov on the web, or by calling 1-800-MEDICARE (1-800-633-4227) to help you choose the plan that meets your needs.
- you can get free personalized counseling from your State Health Insurance Assistance Program (SHIP), and other local and community-based organizations. Call 1-800-MEDICARE to get the telephone number of the SHIP nearest you.