

## Medicare Prescription Drug Coverage: Q & A

### Archived Information

#### Q: Who Is Eligible For Medicare Prescription Drug Coverage?

- **A: All People With Medicare Can Enroll In Medicare Prescription Drug Coverage.** Anyone who has Medicare is eligible for the prescription drug benefit.

#### Q: How Much Will Average Beneficiaries Save By Enrolling In Medicare Prescription Drug Coverage?

- **A: Average Beneficiaries Can Save More Than 50 Percent Of Their Annual Drug Costs, On Average, When They Join A Medicare Drug Plan, Compared To What They Were Previously Spending With No Drug Coverage.** That's an average annual savings of \$1,100 compared to people without coverage. People can see even larger savings when they switch to generic medications (which are as safe and effective as brand-name medications) or other brand-name drugs that are therapeutically equivalent to their original medications. Seniors and persons with disabilities are seeing Medicare drug plan premiums that are even lower than expected: the average Medicare drug plan premium is down from \$37 per month to \$25 per month, nearly \$150 per year less than expected. People who qualify for the extra help will save even more: they can join a Medicare drug plan and pay no premium, no deductible, and \$1 – \$5 for their prescriptions. Taxpayers are also saving billions: since last July, the projected cost of providing Medicare prescription drug coverage has come down by \$7.6 billion for 2006, and \$30 billion over next five years.

#### Q: How Can People Get More Information About Choosing And Joining A Medicare Drug Plan?

- **A: People Can Get More Information And Sign Up Online, Over The Phone, Or In Person At Enrollment Events In Their Communities.** Medicare is providing many ways for people to learn about this new coverage and get help choosing a plan. These opportunities include: Calling 1-800-MEDICARE (1-800-633-4227; TTY users call 1-877-486-2048), visiting Medicare's online enrollment center at [www.medicare.gov](http://www.medicare.gov), and attending events at local places in the community such as schools, senior centers, clubs, faith-based organizations, and pharmacies. The Eldercare Locator can help people find places to go to get personalized assistance in comparing plan choices. For the telephone number, visit [www.eldercare.gov](http://www.eldercare.gov) on the Web. Or, people can call their local office on aging for help.

#### Q: When Should People With Medicare Join A Medicare Drug Plan?

- **A: People Should Join As Soon As Possible – People Who Join After May 15, 2006 May Have To Pay A Higher Premium That Includes A Penalty, And They May Have To Wait To Join.** People who don't join a plan by May 15 and don't currently have drug coverage from another source that, on average, covers at least as much as the standard Medicare prescription drug coverage, may have to wait until November 15, 2006 to join. When they do join, their premium cost may go up at least one percent per month for every month that they wait to join, and they will have to pay this penalty as long as they have Medicare prescription drug coverage. For best results, people should sign up for a Medicare drug plan early in the month, to ensure they get the most out of their coverage from the first day it is effective.

#### Q: How Extensive Are The Lists Of Drugs Covered By Medicare Drug Plans?

- **A: Formularies For The Medicare Plans Are Very Extensive, Covering Typically 80 Or More Of The Top 100 Drugs Used By People With Medicare.** Formularies must always include more than one drug in each class, and all plans must have procedures to ensure that people have access to medically necessary drugs not included on their formularies. Plans are required to have timely and efficient processes in place for people to request exceptions to formularies, and to get prior authorization (pre-approval from plan sponsors) where clinical information is needed to help make sure that a drug is being used appropriately and safely. Medicare will monitor plans to ensure these requirements are being met and can take further enforcement action if plan performance in this area interferes with people's ability to obtain needed medications on a timely basis.

**Q: Is It True That Some People Have Access To Fewer Drugs Under Medicare Prescription Drug Coverage?**

- **A: All Medicare Drug Plans Are Required To Cover All Medically Necessary Drugs.** For drugs not on a plan's formulary (list of covered drugs), a safe and effective similar drug should be available. Many of the medications that plans do not cover have generic equivalents that cost much less and are paid for by the plans. When a specific drug is not covered, Medicare requires that generic equivalents or other drugs that treat the same condition are covered. It is misleading to imply plans aren't providing access to needed medications because some specific drugs are not covered.

**Q: How Does Medicare Prescription Drug Coverage Help Beneficiaries With Limited Income And Resources?**

- **A: Medicare Will Pay Nearly All Of The Drug Costs For People With Limited Income And Resources.** Millions of people with Medicare are eligible to join a Medicare drug plan without premiums, deductibles, or gaps in coverage. On average, Medicare will pay for more than 95 percent of the costs of prescription drugs for people who qualify. Last fall, millions of applications for extra help were mailed to many low-income seniors and Americans with disabilities. Applications are also available at locations around the country, including over 30,000 pharmacies, or through the Social Security Administration or 1-800 MEDICARE. People can also apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213 (TTY 1-800-325-0778), or visit any Social Security office. There is no cost or obligation to apply for extra help, and no financial documents or complicated records are required, so anyone who thinks they may qualify should apply.

**Q: Will Some People Be Automatically Enrolled In A Medicare Drug Plan?**

- **A: Individuals On Medicare Who Had State Medicaid Prescription Drug Coverage Were Enrolled In A Medicare Drug Plan – All Others Who Want Prescription Drug Coverage Must Enroll In A Plan.** CMS will automatically enroll those who automatically qualify for extra help because they receive Supplemental Security Income (SSI) benefits or receive help from their State paying their Medicare premium (belong to a Medicare Savings Program). CMS will also automatically enroll those who apply with the Social Security Administration (SSA) or their State and qualify for extra help. CMS is letting beneficiaries in these groups know which Medicare drug plan they will be enrolled in if they take no action before April 30 and has begun mailing letters to approximately 1.2 million people who qualify for extra help, informing them of their plan assignment.

**Q: Are There Differences Between The Medicare Drug Plans?**

- **A: Yes, Medicare Drug Plans Are Different In Terms Of What Drugs They Cover, The Premium And Co-Pay Amounts They Charge Their Members, And Which Pharmacies They Use.** However, all Medicare drug plans must provide at least a basic standard of coverage set by Medicare. For more information on the different drug plans available in their area, people should visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227; TTY users call 1-877-486-2048). Assistance can also be obtained from State Health Insurance Assistance Programs (SHIPs) and partner organizations including pharmacists, senior centers, the AARP, and the Council on Aging.

**Q: What Is The "Transition Period," And What Is The Significance Of It Having Ended March 31, 2006?**

- **A: The Transition Period Is Designed To Give People Time To Work With Their Physician And Pharmacist To Ensure Their Specific Drug Plan Meets Their Needs.** During the transition period, Medicare requires drug plans to fill new prescriptions even if the prescription is for a drug that's not on the plan's formulary. People enrolled in a Medicare drug plan with coverage effective on January 1, 2006 or February 1, 2006 are covered by the transition policy through March 31, 2006. People who join a Medicare drug plan March 1, 2006 or later are covered by a one-time, 30-day supply of the prescription. Prescription drug plans have been notifying beneficiaries about their coverage requirements over the last few months, and the transition deadlines will not affect drugs in six critical classes (chemotherapy, HIV/AIDS, anti-depressants, anti-psychotics, anti-convulsant agents and immunosuppressants). CMS requires plans to cover all drugs in those classes. For drugs not in these six classes, people can ask their physicians to prescribe a medication on their plan's formulary that will work as well as the medication that they have under the transition policy, ask their plan for help in filing an exception to the formulary or appeal, or people can call 1-800-MEDICARE for assistance.