



Health Bulletin



Paying For Prescription Drugs Can Be A Struggle— Especially For People With Medicare And Medicaid

(NAPSA)—Help is on the way.

Medicare is rolling out a prescription drug plan for those who are eligible for Medicare that has basic coverage for prescription medications. The Medicare prescription drug plan (Part D), effective Jan. 1, 2006, allows insurers and other private companies to offer prescription drug plans (PDPs), for both generic and brand name drugs.

In October, people with Medicare will receive a “Medicare and You” handbook in the mail which will describe the Medicare plans available in their area. Information will also be available on the Web at www.medicare.gov. Beneficiaries can then compare Medicare prescription drug program options and prepare to select a plan best suited to their health and budget needs. Beneficiaries need to be aware of how these options could impact their coverage. If participants are already enrolled in a Medicare Advantage (MA) plan, they do not have to select a Medicare prescription drug (Part D) benefit. It is already included in their plan for 2006. However, if they select a stand-alone PDP and are already enrolled in a Medicare Advantage plan, they may lose existing MA medical benefits.

Open enrollment begins on Nov. 15, 2005, with coverage taking



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effect on Jan. 1, 2006. After the first of the year, open enrollment will continue through May 15, 2006, with coverage beginning the first day of the month following enrollment. Participants enrolling after May 15, 2006 may be required to pay a higher premium.

PDPs will have a monthly premium and an annual deductible. CMS estimates that the standard plan will cost participants about \$37 each month, with a yearly deductible of \$250. This means they must spend \$250 on their prescription drugs before the drug benefit starts. Plans offered by private companies, however, may provide additional coverage beyond that required by the standard plan,

including filling in the coverage gap. These plans will likely require an additional premium charge for the richer benefits.

After meeting the annual deductible, the standard PDP requires participants to pay 25 percent of the cost of drugs until drug costs for the year reach \$2,250. This \$2,250 is the total cost of the drugs, not just the out-of-pocket costs. After that, participants pay 100 percent of their drug costs (from \$2,250 to \$5,100). In other words, people with Medicare will pay the next \$2,850. This is known as the “coverage gap.” After one spends \$3,600 total in a calendar year, Medicare catastrophic coverage will kick in and pay for 95 percent of all costs and beneficiaries pay a small copayment.

“This new program offers people with Medicare the opportunity to obtain their prescription drugs at a more affordable cost,” said Dr. Scott Latimer, market president of senior products at Humana for North and Central Florida, one of the nation’s leading private sector Medicare insurers.

To learn more information about the Medicare prescription drug program, call 1-800-MEDICARE or 1-800-851-1768. Information is also available at www.medicare.gov, www.cms.gov or www.humana.com.