



The Facts About Medicare Drug Plans

Coming in 2006

MEDICARE MODERNIZATION ACT

What are Medicare drug plans?

Beginning January 1, 2006, new Medicare drug plans will be available to everyone with Medicare. Insurance companies and other private companies have worked with Medicare to offer these drug plans. They have negotiated discounts on drug prices. These plans are different from the Medicare-approved drug discount cards, which phase out by May 15, 2006, or when your enrollment in a Medicare drug plan takes effect, if earlier.

Medicare drug plans provide insurance coverage for prescription drugs. Like other insurance, if you join you pay a monthly premium (which varies by plan) and pay a share of the cost of your prescriptions. Costs vary depending on the drug plan you join.

Drug plans vary in what prescription drugs are covered, how much you have to pay, and which pharmacies you can use. All drug plans have to provide at least a standard level of coverage, which Medicare has set. However, some plans offer more coverage and additional drugs for a higher monthly premium. When you join a drug plan, it is important for you to choose one that meets your prescription drug needs.

When can I join a Medicare drug plan?

If you currently have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance), you can join a Medicare drug plan between November 15, 2005, and May 15, 2006. If you join by December 31, 2005, your Medicare drug plan coverage begins on January 1, 2006. If you join after that, your coverage is effective the first day of the month after the month you join. In general, you can join or change plans once each year between November 15 and December 31.

Even if you don't use a lot of prescription drugs now, you still should consider joining a plan. If you don't join a plan by May 15, 2006, and you don't have a drug plan that, on average, is at least as good as standard Medicare prescription drug coverage, you will have to pay a penalty each month to join later.

What if I can't pay for a Medicare drug plan?

Some people with limited income and resources (including your savings and stocks, but not counting your home) qualify for extra help. People who qualify get help paying for their drug plan's monthly premium, and/or for some of the cost they would normally have to pay for their prescriptions. The amount of extra help you qualify for is based on your income and resources.

If you think you qualify for extra help, you can apply with the Social Security Administration or your local Medicaid office. Call Social Security at 1-800-772-1213, visit www.socialsecurity.gov on the web or contact your local Medicaid office to apply.

Do Medicare drug plans work with all types of Medicare Health Plans?

Yes. There are Medicare Prescription Drug Plans that add coverage to the Original Medicare Plan, Private Fee-for-Service Plans that don't offer Medicare prescription drug coverage and Medicare Cost Plans. There are also other drug plans that are a part of Medicare Advantage Plans (like HMOs), and other Medicare Health Plans.



What if I already have prescription drug coverage from a Medigap (Medicare Supplement Insurance) Policy?

If you have a Medigap policy with drug coverage, you will get a detailed notice from your insurance company by November 15, 2005, telling you whether or not your policy, on average, is at least as good as standard Medicare prescription drug coverage. This notice explains your rights and choices.

What if I have prescription drug coverage from an employer or union?

If you have prescription drug coverage from an employer or union, you will get a notice from your employer or union by November 15, 2005, telling you whether or not your plan, on average, is at least as good as standard Medicare prescription drug coverage.

If your employer or union plan is at least as good as standard Medicare prescription drug coverage, you may be able to...

- keep your current drug plan. If you join a Medicare drug plan later you won't pay a penalty as long as you join within 63 days of your current plan ending, or
- drop your current drug plan and join a Medicare drug plan, but you may not be able to get your employer or union drug plan back.

If your employer or union plan is not at least as good as standard Medicare prescription drug coverage, you may be able to...

- keep your current drug plan and join a Medicare drug plan to give you more complete prescription drug coverage, or
- just keep your current drug plan. But, if you join a Medicare drug plan later, you will have to pay a penalty, or
- drop your current drug plan and join a Medicare drug plan, but you may not be able to get your employer or union drug plan back.

How can I get more information?

For more information about Medicare prescription drug coverage, including how to choose and join a plan that meets your needs,

- read the "Medicare & You 2006" handbook mailed to you.
- visit www.medicare.gov on the web and use the Medicare Prescription Drug Plan Finder tool to get information about the specific drug plans available in your area.
- call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For more information about applying for extra help with your Medicare drug plan costs, call Social Security at 1-800-772-1213 or visit www.socialsecurity.gov on the web.

How can I get help choosing a Medicare drug plan?

You can get personalized information at www.medicare.gov on the web, or by calling 1-800-MEDICARE (1-800-633-4227) to help you find a plan that meets your needs. TTY users should call 1-877-486-2048. Your State Health Insurance Assistance Program (SHIP), and other local and community-based organizations, will also provide you with free health insurance counseling.