

## New Medicare: Prescription Drug Coverage for Seniors

Since

January 1, 2006, Medicare has been offering prescription drug coverage through new private drug plans and through Medicare managed care plans (now called "Medicare Advantage" plans).

Despite

the program's shortcomings, it is important that those eligible for Part D drug coverage completely understand the process and the resources available to them so that they can pick a plan that best meets their needs. I want you to know that my office is ready to help you understand what you are eligible for, and to explain the intricacies of the new benefit. Please don't hesitate to contact my office at (916) 498 - 5600 for further assistance.

Whether

you are a senior, a person with a disability or someone trying to help a parent or friend, I encourage you to research thoughtfully all of the options before making a choice. So take your time, do some research, and learn about your options.

### ENROLLMENT

Enrollment

in the Medicare prescription drug program is voluntary. If you want to participate, you have to take action to sign up. Enrollment for those who have just turned 65 remains the same year-round: One can sign up as early as 3 months before their 65th birthday and have up to 3 months afterwards to enroll.

There

are penalties for late enrollment. If you currently receive Medicare benefits and you don't have any prescription drug coverage whatsoever, you will pay higher premiums if you sign up after your initial enrollment period ends.

- Open

Enrollment is important period for those who wish to sign up or change their drug plan. It is important to assess the new options and drug coverage as almost all plans change from year to year.

If,

however, you drop or lose your non-Medicare drug coverage, you can still sign up for a Medicare prescription drug plan after the initial enrollment period ends and avoid higher premiums, but only if:

- You can prove that your non-Medicare coverage was at least as comprehensive as the Medicare drug benefit, and
- you enroll within 63 days.

## COVERAGE

If you have drug coverage through your employer or union, you should contact your benefits administrator before enrolling in the Medicare Part D prescription drug program to determine which coverage is better for you.

If you choose to enroll in the new program, you'll have a choice of prescription drug plans. The plans vary as to what prescription drugs are covered, how much you'll have to pay out-of-pocket, and which pharmacies you can use.

Medicare will cover some brand name as well as generic prescriptions. All plans will have an appeals process if you need drugs that aren't covered.

Before you enroll in the program or select a plan:

Check to see which plans cover the medications you need,

Check to see which plans provide coverage at your local pharmacies, and

- Determine if the plan's monthly fees fit within your budget.

## COSTS

Costs will vary annually and will depend on the plan you choose. In general, you will pay for two things:

- A monthly premium (approximately \$32 in 2008)
- A yearly deductible (\$275 in 2008).

If your drug expenses exceed the \$275 deductible:

For expenses above the \$275 deductible, but under \$2,510, you pay 25% and the plan pays the other 75%.

For expenses between \$2,511 and \$5,726, you have to pay all costs.

- Once your drug expenses exceed \$5,726, you pay 5% of the cost and the plan pays the remaining 95% for the rest of the year.

All costs mentioned above are in addition to the Part B premium for doctor visits which will cost beneficiaries approximately \$96.40 per month in 2008, depending on your income (You pay for Part B out of your Social Security check.)

The Social Security Administration (SSA) will mail an application to those who might qualify for this assistance. If you think you qualify but haven't received any information yet about this coverage, call SSA at (800) 772-1213.