

A Guide to

The New Medicare Prescription Drug Coverage



On January 1, 2006, the new Medicare prescription drug coverage will begin. This new coverage will be offered through a number of insurance plans in your region. These plans will offer a variety of options, each with different covered prescriptions and different costs. For the first time, people with Medicare will have the opportunity to participate in this new voluntary plan. Seniors who want to participate must choose a plan offering the coverage that meets their needs, and then enroll.

Frequently Asked Questions

What is the new Medicare prescription drug coverage?

The new Medicare prescription drug coverage, commonly known as Medicare Part D or the Medicare Prescription Drug Benefit, is a new type of health insurance program that provides prescription drug coverage for people with Medicare. Insurance and other private companies are working with Medicare to offer this drug coverage.

Who can participate in the Medicare prescription drug coverage?

Beginning January 1, 2006, all individuals with Medicare will be eligible for the new Medicare prescription drug coverage.

How much will it cost to participate in the Medicare prescription drug coverage plan?

Like other insurance, beneficiaries will pay a monthly premium (estimated by the government to be approximately \$37 in 2006) and pay a part of the cost of their prescriptions, including a copayment, deductible and other cost-sharing amounts. These costs may vary significantly depending on which drug plan they choose. Some plans may offer more coverage and additional drugs for a higher monthly premium. If a beneficiary has limited income and resources, and qualifies for extra help, they may not have to pay a premium or deductible.

How much will I save if I enroll in a Medicare prescription drug plan?

Your potential savings will depend on how much you spend for prescription drugs, and your financial situation. In general, the more you spend on prescription drugs, the more you'll save under the Medicare prescription drug plan. This ensures that people with very high drug costs and/or limited income and resources save more. Most enrollees will save money under a Medicare prescription drug plan, compared to what they might have spent without enrolling. More importantly, enrolling in a Medicare prescription drug plan will also insure you against unexpected and dramatic increases in your annual medication expenses.



Frequently Asked Questions

I have a limited income and I can't afford to pay the monthly premiums and other out-of-pocket costs. Is there any extra help for me?

Can I decide not to enroll in a Medicare prescription drug plan now, but enroll at a later date?

How do I know which of my prescriptions are covered by the Medicare prescription drug plan?

Where can I get more information about enrolling in the Medicare prescription drug plan?

Extra help will be available for people with limited income and resources. In fact, people with Medicare who have incomes below certain levels won't have to pay any premiums or deductibles for prescription drugs. Even if you don't qualify to have all of your premiums and deductibles paid, you may qualify for some assistance based on your income and resources.

Enrollment is voluntary. However, if you decide to enroll after the open enrollment period ends on May 15, 2006, you will have to pay more each month to participate in the Medicare prescription drug plan, unless you meet certain exemption criteria.

If you choose to enroll, you will have several plans from which to choose. It will be important to compare your medication needs with the offerings of available prescription drug plans to find the best match.

You have several options for learning more about Medicare prescription drug coverage:

- 1) You may call Medicare directly at 1-800-MEDICARE, 1-800-633-4227, where someone will be available to assist you 7 days per week, 24 hours per day.
- 2) You may visit www.medicare.gov on the web.
- 3) Assistance may be available from senior care agencies or senior community groups in your area.
- 4) The State Health Insurance Assistance Program (SHIP) has counselors in every state and several territories who are available to provide free personalized help with your Medicare questions or problems. You may also visit www.medicare.gov to find the contact information for the counseling office in your state.

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