



# Senator Ruth Hassell-Thompson

New York State Senate

## Dear Constituent,

New York senior citizens have been hearing and reading about Medicare Part D, the Voluntary Prescription Drug Benefit Program, for almost two years. Now, the time to act on this is here. Between November 15, 2005 and May 15, 2006, every New York citizen 65 years of age or older should decide whether to enroll in Medicare Part D or remain with their current prescription plan. Medicare Part D went into effect January 1, 2006, for those who are enrolled.

All the prescription drug plans available under Medicare Part D are offered by private companies. In New York State, as of October 10, 2005, 21 different companies are offering 46 different prescription drug plans. The number of companies and drug plans is changing all the time, so be sure to visit [www.medicare.gov](http://www.medicare.gov) for up-to-date information. These plans differ considerably in the premiums they charge, in their deductibles, and in the actual drugs they cover. You will want to be sure the drug plan you choose matches with your pocketbook and particular drug needs.

Many of you who have EPIC coverage will not need to enroll in Medicare Part D. However, if you have high prescription drug costs, you might benefit from enrolling in both EPIC and Medicare Part D. See the last page of this brochure for an explanation.

While it is impossible to include here all the information you will need to complete this task, I hope this brochure will give you a clear roadmap through the decision-making process and a list of helpful resources to turn to when you need more information.

As always, if you have questions about any of the information included here, or about any matter or issue whatsoever, please feel free to contact my office at 718-547-8854.

Sincerely,

Senator Ruth Hassell-Thompson  
36<sup>th</sup> Senatorial District

## HELPFUL CONTACTS

### Medicare

[www.medicare.gov](http://www.medicare.gov)

**1-800-633-4227**

TTY: 1-877-486-2048

### Social Security Administration

[www.socialsecurity.gov](http://www.socialsecurity.gov)

**1-800-772-1213**

TTY: 1-800-325-0778

### Health Insurance Information, Counseling & Assistance (HIICAP)

[http://hiicap.state.ny.us/medicare/new\\_law.htm](http://hiicap.state.ny.us/medicare/new_law.htm)

# Frequently Asked Questions

## What is Medicare Part D?

Medicare Part D, also known as the Voluntary Prescription Drug Benefit Program or the Medicare Prescription Drug Plan, became law in December 2003 as an amendment of the Social Security Act. The program became effective January 1, 2006, as an optional prescription drug benefit for people enrolled in Medicare Part A or Part B. People who receive Medicare *and* Medicaid also have their prescription drugs covered by Medicare starting January 1, 2006.

## What if I already have prescription drug coverage?

Watch your mail. You will receive a letter from your current plan telling you whether the plan will be continued and, if so, whether it is as good as Medicare Part D coverage. If your current coverage is as good as or better than Medicare Part D, you may choose to keep your present plan and not pick up Part D coverage. People who receive both Medicare and Medicaid will be required to participate in Medicare Part D.



## When do I have to enroll in Medicare Part D?

Enrollment in Medicare Part D is strictly voluntary. If you wish to enroll, you will want to sign up with a plan during the initial enrollment period, between November 15, 2005 and May 15, 2006. If you do not enroll by May 15, you will have to wait until November 15, 2006 to join, but 1 percent will be added to your premium for every month you have been late.

## How do I enroll in Medicare Part D?

You will automatically be enrolled in Part D when you sign up with one of the plans being offered. To sign up for a particular plan, you must contact the company offering that plan, fill out the required forms, and make payment arrangements. If you receive Medicaid, you have already been assigned to a Medicare prescription drug plan.

## How does Medicare Part D work?

If your income is over \$12,123, you will pay a monthly premium (\$35 per month on average among the plans). You will also pay for the first \$250 (your deductible) of the cost of your drugs. Medicare will then cover 75 percent of your drug costs between your \$250 deductible and \$2,250. After that, you will pay all your drug costs until they exceed \$5,100, when Medicare will cover 95 percent of your drug costs until the end of the year.



For low income people, there is a Low Income Subsidy that will help pay for their Medicare Part D monthly premiums, deductibles and co-pays.

## What if I don't use prescription drugs right now?

You are very fortunate right now, but you may need costly prescription medication sometime in the future when late enrollment in Part D will require a substantial premium penalty. With the lowest plan premium now at \$4.10 per month, you should consider enrolling before May 15, 2006 in order to guarantee yourself the lowest premium options in years to come.

## What if I can't afford any of the plans offered?

If you have limited income, you may qualify for extra help paying for your plan and prescriptions. Seniors who automatically qualify for help were sent letters in May or June, others who might qualify were sent applications for extra help. If you think you might qualify, but you have not received a letter or application, call the Social Security Administration at 1-800-772-1213 or apply at your State Medical Assistance office. You will be notified as to what you should do next.

## How do I figure out which plan I want?

This is the hard part, but there is a step-by-step process that I have included here to help you make a relatively easy decision.



## STEP 1:

### Check Out this Overview.

- ▶ There are many different prescription drug plans available to New Yorkers. (If you wish to see a summary of all these plans on a single page, go on the Internet to [www.medicare.gov/medicarerereform/map.asp](http://www.medicare.gov/medicarerereform/map.asp).)
- ▶ The monthly premiums for these plans currently range from \$4.10 to \$85.02.
- ▶ Some of these plans require no deductibles, most require the standard \$250 deductible, and other plans have reduced deductibles.
- ▶ None of these plans covers ALL prescription drugs. That's why it will be important for you to compare the plans to make sure you sign up for the one that best meets your needs.
- ▶ Most, but not all, of these plans offer mail order services.

## STEP 2:

### Determine Your Own Needs.

- ▶ Make a list of the prescriptions you are presently taking. Indicate whether each drug is generic or brand name. Include the number of capsules or tablets you take each month, and the dosage size (usually in "MG").
- ▶ Decide how much you can afford for prescriptions each month, keeping in mind that you will pay a monthly premium and probably a \$250 deductible, 25 percent of the next \$2,000, and 100 percent of the next \$2,850. Figure out what you can afford as a monthly premium. This amount will help you choose the best plan for you.

## STEP 3:

### Watch Your Mail for the Following:

- ▶ The Centers for Medicare & Medicaid services will be sending you a copy of an official government handbook entitled *Medicare & You, 2006*. This publication will include a summary of the plans offered in your area and will explain exactly what you should do to choose a plan and enroll in it.
- ▶ Many of the companies offering Part D coverage in New York will contact you by mail with information regarding their various plans: their covered drug lists and premium costs. Review each of these letters and file each away so that you can compare details from each plan before making your decision. Information needed for contacting these companies will be included in each of these mailings.

## STEP 4:

### If Possible, Use a Computer to Visit [www.medicare.gov](http://www.medicare.gov) on the Web.

- ▶ Click on **>Formulary Finder**.
- ▶ Select **New York** as your state.
- ▶ Under **Search for Drugs**, type in one-by-one the drugs you are currently taking, and click on **Continue with Selected Drugs**.  
The program will then give you a list of the plans in your area that cover all of your prescriptions.

## STEP 5:

### Contact One or More of the Companies Offering Medicare Part D Plans for the Following Information:

- ▶ Does the company's plan cover all of your current prescriptions?
- ▶ What deductible would you have to pay before the plan's coverage begins?
- ▶ How much is the monthly premium?

## STEP 6:

### Compare The Plans You Have Researched and Choose an Affordable Plan that Meets Your Prescription Needs.

## STEP 7:

### Contact the Company Offering the Plan You have Chosen, and Complete the Necessary Paperwork to Enroll.

36<sup>th</sup> Senatorial District

**Ruth Hassell-Thompson**  
New York State Senator



**Medicare Part D:**  
Choosing the Best Plan for You



## How Can I Use EPIC and Medicare Part D Together?

When EPIC and a Medicare Part D plan are used together, EPIC covers the costs not covered by Part D, including Part D copays, the annual \$250 Part D deductible, the costs that fall into Part D's notorious "donut hole," and the cost of any drug not covered by Part D—this, of course, after all EPIC fees, copays and deductibles are paid. For most low-income seniors and some modest-income seniors, it will pay to be enrolled in both EPIC and Part D. Let's look at some examples.

EPIC enrollee A, because of her income, must meet a \$1,230 deductible before she can begin getting her prescriptions for the standard EPIC copay of \$3, \$7, \$15, or \$20. If she picks up an inexpensive (\$4.10/month) Part D plan, she will begin 25 percent copays after meeting the relatively low Part D deductible of \$250.

EPIC enrollee B has an income below 135 percent of the Federal Poverty Line. If he applies for and is granted a low-income subsidy for Medicare Part D, he will pay no fee or premium, and no deductible, for either EPIC or Part D. He will pay no donut-hole costs. His only costs will be \$2 for generic drugs and \$5 for brand names.

EPIC enrollee C has both EPIC and Plan D coverage. She has met her EPIC and Part D deductibles. When she purchases a brand-name drug that costs \$100, Plan D requires a \$25 copay.

But EPIC covers the Plan D copay, and she pays only a \$7 EPIC copay for the \$100 drug. With EPIC alone, she would have to pay a \$20 copay for the drug.

EPIC can protect moderate-income seniors against the infamous Medicare Part D "donut hole," the point at which an individual's total annual drug costs reach \$2,250 and Medicare stops paying anything toward a person's prescriptions until his or her drug-cost total reaches \$5,100. This means that certain Part D-covered seniors—those who have extraordinarily high drug costs—will have to pay as much as \$2,850 out of pocket for their prescriptions. Low-income seniors are eligible for Medicare's full or partial "Extra Help" subsidy, and will not be hit with the out-of-pocket costs that moderate-income individuals must pay in the "donut hole." Once a senior's drug-cost total exceeds \$5,100, Medicare Plan D will pay 95 percent of the remaining costs that year.

Some seniors may choose to enroll in EPIC even though they have no drug needs. This is because EPIC is considered "creditable coverage" and seniors covered by EPIC may enroll in Part D without penalty after the May 15, 2006 deadline. For more information, please contact the EPIC Hotline at 1-800-332-3742.