

TEN THINGS YOU NEED TO KNOW ABOUT MEDICARE'S NEW PRESCRIPTION DRUG COVERAGE



For the first time, Medicare is offering insurance coverage for prescription drugs. No matter how much income you have, you may be able to save hundreds of dollars on medicines. If you have low income, there are extra benefits. Even if you have insurance for your medicines now, this program may help you more...

1 YOU CAN ENROLL STARTING NOVEMBER 2005

This fall, each person in Medicare will have the chance to sign up for a new Medicare prescription drug plan. You can join between November 15, 2005 and May 15, 2006. If you join by December 31, 2005, your coverage will start on January 1, 2006. If you join after that, your coverage will start the first day of the month after the month you join. (For example, if you sign up on February 15, 2006, your coverage will start on March 1, 2006.)



If you become eligible for Medicare after January 1, 2006, you can choose a drug plan when you sign up for Medicare.

In general, you can join or change drug plans once a year between November 15 and December 31.

2 YOU DECIDE IF THIS NEW PROGRAM IS RIGHT FOR YOU

No one has to take part, but if you have no coverage for your medicines now and do not join a plan during the initial enrollment period, you may have to pay higher premiums if you enroll later on.

If you have drug coverage through a retiree plan, your spouse's work, a union, or other program, you may keep that if you wish. If you decide to keep the plan you have, it is VERY IMPORTANT that you make sure your drug plan is on average at least as good as a standard Medicare drug plan. If it does not, and then later you want to

8 YOU WILL GET THE INFORMATION YOU NEED BEFORE ENROLLMENT BEGINS IN NOVEMBER

This fall, the plans offering drug coverage in your area will provide you with specific information. In October, Medicare will send out a booklet entitled “Medicare & You.” It will provide you with detailed information about your choices and how to enroll. Information comparing Medicare drug plans and coverage options will be available through the Medicare Plan Comparison Web Tool and Medicare Personal Plan Finder on www.medicare.org



9 COVERAGE FOR MEDICINE IS NOT THE ONLY NEW MEDICARE BENEFIT

Medicare now covers new services that will help to find illnesses in their early stages. Medicare will now pay for everyone to have certain blood tests to detect cardiovascular disease, and it now covers diabetes screening for those at risk. There is also a “Welcome to Medicare” physical exam for all persons just joining Medicare.

10 MEDICARE IS ALWAYS THERE TO ANSWER YOUR QUESTIONS

To learn more about Medicare prescription drug coverage or any Medicare topic, call Medicare at 1-800-633-4227. The phone lines are staffed 24 hours a day, seven days a week. You can also go to the Medicare website at www.medicare.gov.

join a Medicare drug plan, you may have to pay higher premiums. In October, 2005 you can call Medicare (1-800-633-4227) to see if the plan you have now is as good as a Medicare drug plan. You should also get a notice from your employer or union that tells you if your plan covers as much or more than a Medicare drug plan.

If you have Medicare, but now get your medicines through Medicaid, you will also be asked to join one of the new Medicare drug plans. If you don't choose a plan this fall, you will be signed up for the new Medicare drug coverage automatically and a plan will be chosen for you. To learn more, call your local Medicaid office or call Medicare (1-800-633-4227).

3 YOU WILL HAVE A CHOICE OF PLANS

You will have a choice of plans. These will be offered by private companies approved by Medicare.

Some plans may offer drug coverage along with benefits for hospitals, doctors, and other health services — all in one package. These are called Medicare Advantage Plans (like HMOs).

There will also be plans that offer just drug coverage. These drug-only plans can be used along with the Original Medicare Plan.

4 YOU MAY HAVE TO PAY A MONTHLY PREMIUM FOR THIS PROGRAM

The exact cost will depend upon which plan you choose. Medicare has said that the average premium for 2006 will be about \$32.20 monthly. The premium each person with Medicare pays for standard coverage depends on whether the plan they choose is above or below the national average cost. Medicare anticipates that there will be a significant number of plans with monthly premiums below the national average of \$32.20.

Premiums will be adjusted each year for inflation; they will not be based on how many medicines you take, or how much the medicines cost. Everyone enrolled in the same plan will pay the same premium. There will be extra help for those in need.

5 EVERY APPROVED PLAN MUST HAVE BENEFITS THAT ARE THE SAME OR BETTER THAN A STANDARD SET BY MEDICARE

This is the standard plan set by Medicare:

- ✦ You pay the first \$250 in drug costs each year. This is called the deductible.
- ✦ The plan will pay 75% of the next \$2,000 in covered prescription drug costs. You must pay the rest — or a 25% co-payment.
- ✦ At this point, coverage stops and you must pay 100% of covered drug costs – until you have paid for a total of \$3,600 in drugs yourself. This is called the out-of-pocket spending amount.
- ✦ If you spend more than \$3,600 for your medicines, the Medicare drug plan must then pay for 95% of the rest of your covered drug costs for the year. You pay the rest — or a 5% co-payment.
- ✦ This process starts over each year.

Remember that any plan may offer you benefits that are better than a standard plan or offer coverage packages that are similar but not quite the same as the standard plan described above. But every plan **must** offer benefits that are on the average **at least as valuable** as this standard amount of coverage.

6 PEOPLE WITH LOW INCOME ARE PROTECTED BY EXTRA BENEFITS

People with limited income and resources will get extra help. If you qualify, you will pay no (or reduced) premiums and deductibles. You will pay only small co-payments. You also will have no gaps or breaks in coverage.*

7 EVERY PERSON ON MEDICARE IS ELIGIBLE FOR PRESCRIPTION DRUG COVERAGE



No matter how old you are, how much income you have, the status of your health, or the number of medicines you take, you can sign up for a Medicare drug plan.

* In 2006, **no** deductibles or premiums will be required for most people on Medicare who have yearly incomes below \$12,920 (\$17,321 for couples). Co-payments will be just a few dollars. **Reduced** deductibles, premiums and co-payments will apply to people on Medicare with yearly incomes below \$14,355 (\$19,245 for couples). To qualify for these additional benefits you must have limited assets. If you think you qualify for the extra benefits available to persons with low income or have questions about this program, call your local Social Security Office or 1-800-772-1213.