THE BASICS

Medicare provides an optional prescription drug benefit, Medicare Part D. All persons who qualify for Medicare are eligible to apply for Part D, regardless of income or resources, health status, or current prescription expenses. Medicare administers the Part D program, but contracts with private medical insurance companies who then market their own prescription drug plans to the public. Most insurance companies provide several Part D drug plan options with differing premiums, deductibles and coverage.

Once enrolled in a drug plan, you will receive a membership card which you present at your pharmacy whenever you fill a prescription. The pharmacy will charge you a pre-determined co-payment and will then bill your Part D insurance provider for the remaining cost. Part D drug plans cover only prescription medications, not over-the-counter medications.

SELECTING A DRUG PLAN

There are three factors to consider when selecting a Medicare Part D drug plan: Coverage, Cost, and Convenience.

Coverage: Some insurance companies offer their plans only in certain states. If you spend part of the year in another state, choose a plan that will cover you there as well. Each insurance company publishes a list (formulary) of all the brand-name and generic drugs their plans cover. In order to narrow your search for a plan by your state(s) of residence and the prescription drugs you take, call Medicare at 1-800-633-4227, or go to their website at www.medicare.gov. You will be provided a complete list of insurance plans for which you can apply, along with specific information about their premiums, deductibles, co-payments and preferred pharmacies in your area.

Cost: Like other insurance, you will pay a monthly premium (ranging from $14 - $100) plus a yearly deductible (ranging from $0 - $275). You will also pay a part of the cost of each prescription. These costs will vary depending upon which drug plan you choose. For example, some plans may offer more coverage for a higher monthly premium. If you have limited income and resources, and you qualify for extra help, you may not have to pay premiums or a deductible. You can apply or get more information about this extra help by calling Social Security at 1-800-772-1213 or by visiting www.socialsecurity.gov.

Convenience: Make sure the plan’s preferred pharmacies are ones you want to use. Some plans also offer the option for you to get your prescriptions through the mail.

ENROLLING, SWITCHING AND DROPPING A MEDICARE DRUG PLAN:

You may enroll in a Medicare Part D plan by calling Medicare at 1-800-633-4227 or by going online at www.medicare.gov. You may also contact the insurance carrier directly. You should enroll in a Part D plan when you first become eligible for Medicare at age 65. If you do not enroll within 3 months of becoming eligible for Medicare, you must wait until the next open enrollment period (November 15 – December 31 of each year). Your coverage will begin on January 1 of the following year. You will then have to pay a higher monthly premium that increases for every month you have delayed enrollment.

Once on a Medicare D plan, you should compare your plan’s benefits to those of other plans as the annual open enrollment period approaches. Each year, insurance companies can change the cost and
coverage of their plans, and it may benefit you to drop your current plan and switch to another. You can
do this by contacting the insurance company in whose plan you wish to enroll, or through the Medicare
customer service line or website previously listed. You do not need to notify your current drug plan
provider. You will be dis-enrolled automatically from your old drug plan when coverage in your new drug
plan begins. You will receive a new membership card from your new Medicare drug plan along with a
letter telling you when your coverage will begin. Medicare recipients who move to another state or enter
a nursing home or assisted living facility will be able to switch plans during other times of the year.

ADDITIONAL FACTS:

IF A DRUG YOU TAKE ISN’T ON YOUR PLAN’S FORMULARY WHEN YOUR COVERAGE BEGINS,
your drug plan will provide a one-time 30-day supply during the first 90 days of coverage in that plan.
This allows your doctor time to find another drug in the plan’s formulary that will work as well as the drug
you are now taking. If you have already tried similar drugs on the formulary without success, your doctor
may contact your drug plan to request an exception. If this request is approved, the plan will cover the
drug. Exceptions can also be requested for a plan’s limits on dosages or quantities of drugs dispensed.

IF YOU ARE ELIGIBLE FOR BOTH MEDICARE AND STATE MEDICAID, Medicare will automatically
enroll you in a Medicare D drug plan. You will pay $0 - $5.60 out-of-pocket for each covered prescription,
and you will likely pay little or nothing for premiums and deductibles. You also may switch drug plans at
any time during the calendar year.

IF YOU GET PRESCRIPTION DRUG COVERAGE FROM THE VETERANS ADMINISTRATION,
TRICARE OR THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM, it will likely be to your
advantage to keep your current drug coverage. However, in some cases, adding a Medicare D drug plan
can provide you with extra coverage and savings, especially if you qualify for extra help because of
limited income and assets.

IF YOU HAVE PRESCRIPTION DRUG COVERAGE FROM A FORMER OR CURRENT EMPLOYER
OR FROM A UNION, joining a Medicare D prescription drug plan might cause you to lose all of your
employee/retiree or union benefits. Check with your employer or union benefits administrator about their
policy. If your employer/union stops offering prescription drug coverage, you can join a Medicare D
prescription drug plan at any time during the year, as long as you do so within 63 days of losing your
previous coverage.

MEDICARE ADVANTAGE PLANS may offer a more economical alternative to a Medicare D drug plan.
Medicare Advantage plans are marketed by private insurance companies and bundle a drug benefit with
coverage for hospital and doctor fees. However the insurance company, not Medicare, decides which
providers and services will be paid. They may restrict your choice of doctor or pharmacy or increase the
amount you must pay out-of-pocket if you use doctors, hospitals or pharmacies that are not considered
by the insurance company to be “preferred providers”.

MEDICARE D WILL NOT COVER PRESCRIPTION MEDICATIONS PURCHASED THROUGH
FOREIGN PHARMACIES AND FOREIGN MAIL ORDER PROGRAMS.