Prescription Drug Coverage

Presented by:
Medigap Part D & Prescription Drug Helpline
Board on Aging & Long Term Care
A Wisconsin SHIP
Medicare Part A Prescription Drug Coverage

- Part A generally pays for all drugs during a covered inpatient stay
  - In hospital or skilled nursing facility (SNF)
    - Drugs received as part of treatment
  - Hospice
    - Drugs for symptom control and pain relief only
Medicare Part B Prescription Drug Coverage

• Part B covers limited outpatient drugs
  – Injectable and infusible drugs that are
    • Not usually self-administered, and
    • Administered as part of a physician service

  – Administered through Part B-covered Durable Medicare Equipment (DME)
    • Such as nebulizers and infusion pumps
    • Only when used with DME in your home
Medicare Part B Prescription Drug Coverage

• Part B covers limited outpatient drugs
  – Some oral drugs with special coverage requirements
    • Anti-cancer drugs
    • Anti-emetic drugs
    • Immunosuppressive drugs, under certain circumstances
  – Certain immunizations
    • Flu shot
    • Pneumococcal pneumonia vaccine
Medicare Part B Prescription Drug Coverage

• Generally doesn’t cover self-administered drugs in hospital outpatient setting (observation stays)
  – Unless required for hospital services you’re receiving

• If enrolled in Part D, drugs may be covered
  – If not admitted to hospital
  – May have to pay and submit for reimbursement
Medicare Prescription Drug Coverage

• Prescription drug coverage under Part A, B, or D depends on
  – Medical necessity
  – Health care setting
  – Medical indication
  – Any special drug coverage requirements
When You Can Join or Switch Plans

- When you first become eligible to get Medicare
  - 7-month Initial Enrollment Period (IEP) for Part D

<table>
<thead>
<tr>
<th>If You Join</th>
<th>Coverage Begins</th>
</tr>
</thead>
<tbody>
<tr>
<td>During 3 months before your month of eligibility</td>
<td>Date eligible for Medicare</td>
</tr>
<tr>
<td>Month of eligibility</td>
<td>First day of the following month</td>
</tr>
<tr>
<td>During 3 months after your month of eligibility</td>
<td>First day of the month after month you apply</td>
</tr>
<tr>
<td>When You Can Join or Switch Plans</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Medicare’s Open Enrollment Period</strong> (“Open Enrollment”)</td>
<td></td>
</tr>
<tr>
<td>October 15 – December 7 each year</td>
<td></td>
</tr>
<tr>
<td>Changes go into effect on January 1</td>
<td></td>
</tr>
<tr>
<td><strong>January 1 – February 14 Medicare Advantage Disenrollment Period</strong></td>
<td></td>
</tr>
<tr>
<td>If you’re in a Medicare Advantage Plan, you can leave your plan and switch to Original Medicare. If you switch, you have until February 14 to also join a Medicare drug plan to add drug coverage. Coverage starts the first day of the month after the plan gets the enrollment form.</td>
<td></td>
</tr>
</tbody>
</table>
## When You Can Join or Switch Plans

| Special Enrollment Periods (SEP) | - You permanently move out of your plan’s service area  
- You lose other creditable prescription coverage  
- You weren’t adequately told that your other coverage wasn’t creditable or your other coverage was reduced and is no longer creditable  
- You enter, live at, or leave a long-term care facility *(Does NOT include Assisted living facilities)*  
- You have a continuous SEP if you qualify for Extra Help  
- You belong to a State Pharmaceutical Assistance Program (SPAP)  
- You join or switch to a plan that has a 5-star rating  
- Or in other exceptional circumstances |
Reasons to change Drug or Health Plans:

- Premiums may change each year
- Formularies may change each year
- There may be a “new” preferred pharmacy
- Plans may drop or new plans may be added

There may be a better plan available
If you have been in a plan longer than 3 years, it is time to review.

The ONLY way to know what the best plan is compare at Medicare.gov
Creditable Drug Coverage

- Current or past prescription drug coverage
- Creditable if it pays, on average, as much as Medicare’s standard drug coverage
- With creditable coverage
  - You may not have to pay a late enrollment penalty
- Plans inform yearly about whether creditable
  - For example, employer group health plans (EGHPs), retiree plans, VA, TRICARE, Indian Health Services, Wisconsin SeniorCare and FEHB
Medicare Part D
Prescription Drug coverage through Private Medicare approved Companies

- Covers prescription drugs
- Must be on Medicare A &/or B
- Can change plans annually (10-15 to 12/7)
- Premiums and benefits vary
- Drugs covered varies
- “Extra Help” for low income persons.
- Penalty for late enrollment (1% per month)
- State of Wisconsin: SeniorCare can sometimes save money in the coverage gap.
# Medicare Part D Prescription Coverage 2016

<table>
<thead>
<tr>
<th>Over the TROOP</th>
<th>5%</th>
<th>15%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Prescription Drug Costs between $3310 and $4850</em></td>
<td>45% for Brand Name</td>
<td>5% &amp; 35%</td>
<td>Drug Company Rebate of 55% (Brand)</td>
</tr>
<tr>
<td>To a maximum of $3310</td>
<td>25% or $738</td>
<td>75% or $2213</td>
<td></td>
</tr>
<tr>
<td>$360</td>
<td>$360 Deductible</td>
<td></td>
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</tr>
</tbody>
</table>
What Is Extra Help?

- Program to help people pay for Medicare prescription drug costs
  - Also called the Low-Income Subsidy (LIS)
- If you have lowest income and resources
  - Pay no premiums or deductible, and small or no copayments
- If you have slightly higher income and resources
  - Pay reduced deductible and a little more out-of-pocket
- No coverage gap or late enrollment penalty if you qualify for Extra Help
2015 Extra Help Income and Resource Limits

- **Income**
  - Below 150% of the Federal poverty level (FPL)
    - $1,471.25 per month for an individual*, or
    - $1,991.25 per month for a married couple*
    - Based on family size

- **Resources**
  - Up to $17,655 for an individual, or
  - Up to $23,895 for a married couple
    - Includes $1,500/person for funeral or burial expenses
    - Counts savings and investments
    - Doesn’t count home you live in

*Higher amounts for Alaska and Hawaii
## Qualifying for Extra Help

<table>
<thead>
<tr>
<th>People with Medicare and...</th>
<th>Basis for Qualifying</th>
<th>Data Source</th>
<th>Enrollment</th>
</tr>
</thead>
</table>
| Full Medicaid benefits      | Automatically qualify | State Medicaid agency | Automatic enrollment  
  - Letter on yellow paper
  - Coverage starts 1\textsuperscript{st} month eligible for Medicare and Medicaid |
| Medicare Savings Program    |                      |             | Facilitated enrollment  
  - Letter on green paper
  - Coverage starts 2 months after CMS receives notice of your eligibility |
| SSI benefits                |                      | Social Security |            |
| Limited income and resources| Must apply and qualify | Social Security (most) or state Medicaid agency |            |
Qualifying for Extra Help

- If you qualify for Extra Help, CMS will enroll you in a Medicare drug plan unless you
  - Are already in a Medicare drug or Advantage plan
  - Choose and join a plan on your own
  - Are enrolled in employer/union plan receiving subsidy
  - Call the plan or 1-800-MEDICARE to opt out

- You have a continuous Special Enrollment Period
  - May switch plans at any time
  - New plan is effective 1st day of the following month
Items that count towards the coverage gap

• Your yearly deductible, coinsurance, and copayments
• The rebate you get on brand-name drugs in the coverage gap
• What you pay in the coverage gap

Total out-of-pocket maximum
2016= $4850
Items that don't count towards the coverage gap

- The drug plan premium
- Pharmacy dispensing fee
- What you pay for drugs that aren’t covered
- Anything that the drug plan pays
Is a State of Wisconsin Prescription Drug Program
To qualify you must be:
• 65 Years Old
• Wisconsin Resident
• Pay $30 for 12 months of coverage

Benefits from Senior Care are based on income
<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2a</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,832/$25,488</td>
<td>$23,540/$31,860</td>
</tr>
<tr>
<td>No Deductible</td>
<td>$500 Deductible</td>
</tr>
<tr>
<td>$5/Generic; $15/Brand</td>
<td>$5/Generic; $15/Brand</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 2B</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,248/$38,232</td>
<td>$28,249+/$38,233+</td>
</tr>
<tr>
<td>$850 Deductible</td>
<td>“Spend down”</td>
</tr>
<tr>
<td>$5/Generic; $15/Brand</td>
<td>$850 Deductible</td>
</tr>
<tr>
<td></td>
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$30 Annual Premium
2015 Benefits

*Spend down*
SeniorCare also will provide:

* **Creditable Coverage** (Stops the penalty for Medicare D)
* **SEP** = Special Enrollment Period that will allow you to join or drop a PDP one time each year (levels 2b and 3)
Things to Consider with SeniorCare

• SeniorCare does have a formulary. Check to be sure your prescriptions are on that formulary.

• SeniorCare does not cover:
  – the shingles shot.
  – prescriptions administered during hospital observation stays.
  – Syringes and needles.
Contacts

- **Medigap Part D & Prescription Drug Helpline:** 1-855-67 PART D (1–855–677-2783)

- Under 60 Contact the **Disability Drug Benefit Helpline:** 1-800-926-4862

- 1-800-MEDICARE

Additional Health Insurance questions? Call the **Medigap Helpline:** 1-800-242-1060