

Q & A: Making sense of Medicare's new drug plan

MARY LANE GALLAGHER
THE BELLINGHAM HERALD

Evelyn Nichols wasn't afraid of drowning in the sea of information available on Medicare's new prescription drug plan. The 78-year-old former nurse waded right in. Nichols and her husband Earl Wilson, 87, read brochures and booklets outlining the new program, which allows Medicare beneficiaries to choose among dozens of prescription drug plans offered by private companies. She even traveled to Seattle to hear a presentation from Group Health to help her sort out which company would have the best program for her. Other seniors would be wise to jump right in, too, she said.

"You have to really research this," she said. "If you just sit back and read it, you're not going to understand. It's written in government-ese and government-ese isn't English." For Nichols, the research paid off. She found a Group Health plan that will help her pay for prescriptions, including an inhaler that costs \$200 a month - a big chunk out of the couple's Social Security income. "Overall, I will be ahead," she said.

A local coalition of government health agencies is sponsoring a series of information and enrollment sessions to help the county's 25,000-plus Medicare recipients sort through the program, formally known as Medicare Part D. Elizabeth Jennings, coordinator for the Whatcom County helpline of the Statewide Health Insurance Benefits Advisors, has three key

messages for seniors who haven't yet gotten far as Nichols:

- All Medicare beneficiaries, not just low-income people, are eligible to sign up for prescription drug benefits.
- Local help is available for those deciding on plans.
- Don't panic.

The program begins Jan. 1. Here are answers to frequently asked questions about it:

Q: How does the prescription drug plan work?

A: Medicare recipients can enroll in prescription drug plans offered by insurance companies. Companies will offer a variety of plans, each with different costs and different drugs covered, so Medicare beneficiaries must study the plans to decide which one works best for them.

Q: How much will the plans cost?

A: All the plans charge monthly premiums, ranging from about \$7 to about \$65. The plans also have deductibles up to \$250, meaning the first \$250 in drug costs aren't covered. Plans with higher premiums tend to have smaller or no deductibles. Once the deductible is met, insurance picks up 75 percent of drug costs, up to \$2,250. Then comes a "coverage gap," in which recipients must pay all

drug costs from \$2,251 to \$5,100. A few insurance plans will cover some or all drugs through that gap, though. After the coverage gap has been met, insurance pays for 95 percent of prescription costs for the rest of the year.

Q: Is there financial assistance for low-income people?

A: Individuals whose income is less than \$1,197 a month, or couples whose income is less than \$1,604 a month, may qualify for financial assistance from Social Security. Assets and savings are taken into account, but many people might be surprised they qualify for financial help, Jennings said.

"You can have \$10,000 in the bank and own a home and own a car and still qualify," she said.

Q: What if I'm on Medicare, but Medicaid pays for my prescription drugs?

A: Beginning Jan. 1, Medicare recipients who also are on Medicaid will be automatically enrolled in the new prescription drug plan. They won't have to pay premiums and are covered during the deductible and "coverage gap."

But they will have to pay \$1 to \$5 co-payments on their drugs. That's an important change for those who are used to getting their prescriptions for free.

Q: When do people have to sign up?

A: Enrollment begins Tuesday and ends May 15. Medicare recipients who also are on Medicaid have until Jan. 1 to select their plan. If they don't, they'll be enrolled in a plan automatically.

"We're encouraging people to be proactive and chose the plan that works best for them," Jennings said.

Q: What if I don't want to sign up?

A: While Medicaid recipients will be enrolled automatically, the plan is voluntary for everyone else on Medicare. And people whose prescription drugs are already covered by veteran's or retirement benefits might choose not to enroll if their current coverage is better than what they could get with the new Medicare plan.

But if the Medicare prescription plan offers better coverage, people face a 1-percent penalty on their monthly premiums for each month they put off enrolling. For example, those who wait 12 months would pay 12 percent more on their monthly premiums for as long as they're enrolled. Those who wait 24 months would face a 24 percent hike in monthly premiums.

So people who don't have high prescription drug costs now have an important question to ask themselves, Jennings said.

"Do I start now and choose a low-cost plan to have it and avoid the penalty later, or am I willing pay more down the line?"

The penalties don't apply to those with drug coverage better than what Medicare is going to offer, or to those on Medicaid.

The late-signup penalties weighed heavily on Nichols's mind. She worries some seniors will be "out in the woods" if they don't sign up.

"You may be only taking one medicine now, but next week you might be in the hospital and be on a million of them," she said.

Q: What if I choose a plan based on the drugs I'm taking now, but my doctor later prescribes something that isn't covered?

A: Your doctor would appeal to your insurance company, which would be required to cover the prescription during the appeal, Jennings said. If you win the appeal, the company will cover the drug for the rest of the year, but you'll need to switch plans at the next annual enrollment period. If you lose the appeal, you'll have about two months to find another plan that does cover that drug.

Q: How do I sign up?

A: Beginning Tuesday, you can go online to www.medicare.gov, which also has an online tool to help people evaluate the plans. People may also call (800) MEDICARE to enroll.

Those who don't go online may contact volunteers at the Bellingham office of the Statewide Health Insurance Benefits Advisors, 715-6533. They will help people enroll by going through the online tool for them. "We're hoping people have a little patience," Jennings said. "It may take the volunteers some time to get through all the requests."

*Reach Mary Lane Gallagher at 715-2285 or mary.gallagher@bellinghamherald.com.
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Learn more

For more information about the Medicare prescription drug benefit, try these Web sites:

- Medicare, www.medicare.gov, which includes an interactive tool for evaluating the drug plans.
- The state insurance commissioner, www.insurance.wa.gov. Click on "Medicare's New Drug Program" for a variety of links, including a workbook from the Statewide Health Insurance Benefits Advisors.
- American Association of Retired Persons, www.aarp.org.

Or, call :

- (800) MEDICARE
- Statewide Health Insurance Benefits Advisors, 715-6533 in Whatcom County, (800) 562-6900 throughout the state.

INFORMATION SESSIONS

SET: A coalition of health agencies is sponsoring a series of impartial workshops for those who want to know more about the new Medicare prescription drug benefit:

St. Luke's Health Education Center, 3333 Squalicum Parkway, Thursday from 2 to 5 p.m.

Ferndale Senior Activity Center, 1998 Cherry St., Nov. 29, 12:30 to 3:30 p.m.

Lynden Community Center, 401 Grover St., Dec. 6, 12:30 to 3:30 p.m.

Bellingham Senior Center, 315 Halleck St., Dec. 7, 2 to 4 p.m.

Blaine Community Center, 763 G St., Dec. 13, 12:30 to 3:30 p.m.

U.S. Rep Rick Larsen will also host a town hall meeting about the prescription drug plan at St. Luke's Health Education Center Dec. 5 from 1:30 to 3 p.m.

HELP EDUCATE THE PUBLIC:

Statewide Health Insurance Benefits Advisors in Whatcom County is seeking volunteers to help their efforts in educating people about the Medicare prescription drug benefit. For more information, call the program at 715-6533.