

Your New Medicare Prescription Drug Benefit

For Californians Living
with HIV/AIDS

BENEFICIARIES WITH BOTH MEDICARE AND MEDI-CAL

October 18, 2005

This brochure is intended to provide a basic overview of the new Medicare drug benefit and does not cover every aspect of it. Because the changes to Medicare, Medi-Cal and ADAP are complex, there may be information you need that is not included and you may need to get more information and assistance.

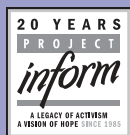


table of contents

- 1 Getting started
- 2 Your new prescription drug benefit
- 3 What are Prescription Drug Plans (PDPs) and Medicare Advantage Managed Care Health Plans with Prescription Drug Coverage (MA-PDs)?
- 4 What you will pay for prescription drugs
- 5 Pharmacy Networks: where you will get your prescription drugs
- 5 *Extra Help*—also known as Low Income Subsidy (LIS)
- 6 Additional resources for information about Medicare Part D
- 7 Medicare Part D: important dates to remember
- 8 Things to do by December 31, 2005

Basic information about the new Medicare prescription drug benefit

GETTING STARTED ...

- **STANDARD BENEFIT** Understanding the “standard” Medicare drug benefit (the benefit that most Medicare clients will receive) helps you know how it will work for you if you also have ADAP or Medi-Cal coverage. *Don't be alarmed about the expenses described below. You are probably eligible for help with these costs.*
- **MEDICATIONS** To get your medications you will need to sign up with a private prescription drug plan or a managed care plan. You will have many choices of plans and should review them and sign up for the one that best meets your needs.
- **PREMIUMS** Most—but not all—plans will have a premium, averaging about \$25 per month. In addition, there will be a deductible of \$250 in 2006.
- **COVERAGE** Once the premium and deductible are paid, Medicare will cover 75% of your drug costs and you will pay 25% until your total drug costs reach \$2,250 (including the deductible). After that, there is a coverage gap (known as the *donut hole*) during which you are responsible for 100% of your drug costs until your total drug spending reaches \$5,100 and you have paid \$3,600 (including your deductible). Then, Medicare will pay 95% of all remaining drug costs for the year, while you will pay about 5%.

You are dually eligible (or Medi-Medi) if you:

- ✓ currently receive assistance from both Medi-Cal and Medicare,
- ✓ are enrolled in a Medicare savings program, or
- ✓ receive supplemental security income (SSI).

your new prescription
drug benefit

The new program that will pay for your prescription drugs is called **Medicare Part D**.

The federal agency that administers this program is called the **Center for Medicaid and Medicare Services** (CMS).

Starting January 1, 2006, your primary prescription drug coverage will switch from Medi-Cal to Medicare.

What are Prescription Drug Plans (PDPs) and Medicare Advantage Managed Care Health Plans with Prescription Drug Coverage (MA-PDs)?

PDPs and **MA-PDs** are private insurance companies that will provide prescription drug coverage to you once you enroll in Medicare Part D.

PDPs will **only** provide prescription drug coverage.

MA-PDs will offer **both** primary care and prescription drug coverage. If you are currently in a Medicare Advantage Plan, it is likely that this will become an MA-PD, and you can continue to receive your primary care and prescription drugs from that plan.

You can choose from among many PDPs and MA-PDs that offer prescription drug coverage. Each plan will have a list of drugs (*formulary*) that they will cover. All formularies will include all currently available anti-HIV medications. However, they may not cover other drugs you may need. You should review plan formularies to decide which plan works best for you.

Each plan will also have specific pharmacies where you can pick up your prescription drugs. You should review the plans to see which one has the best pharmacy network for you.

In October, you will be automatically assigned to a plan with a fully subsidized premium. If this plan does not work for you, you can switch to a different plan beginning November 15, 2005.

Some plans will charge higher premiums than others. The more expensive plans may have more benefits.

If you choose a plan with a premium that is higher than average, you will have to pay the difference between the average and the more expensive premium.

What you will pay for prescription drugs

No charge (\$0) for your plan premium.

No charge (\$0) for your plan deductible.

No *donut hole* or gap in coverage.

Most people will pay a co-pay of \$1 for a generic drug and \$3 for a brand name drug. Some may pay a co-pay of \$2 for a generic and \$5 for a brand name drug.

If you are enrolled in ADAP, it can cover co-pays for those drugs that are also on the ADAP formulary.

To receive ADAP assistance, you will have to go to a pharmacy that is in your PDP or MA-PD and also in the ADAP network of pharmacies.

There is a small number of drugs that are excluded from Medicare Part D but will continue to be covered by Medi-Cal. They include over-the-counter drugs, benzodiazepines (Xanax, Atavan, etc.), drugs used for weight loss or weight gain, and vitamins and minerals.

If ADAP currently pays your Medi-Cal share of cost:

4

Share of cost is the amount you pay before Medi-Cal covers your medical expenses.

As of January 1, 2006, ADAP will no longer be able to pay *share of cost* for people receiving Medi-Cal and Medicare.

This may have an impact on some of your healthcare expenses.

It is important that you discuss these changes with your benefits counselor, case manager or other provider.

Pharmacy Networks: where you will get your prescription drugs

Prescription Drug Plans (PDPs) and Medicare Advantage Managed Care Health Plans with Prescription Drug Coverage (MA-PDs) will have pharmacy networks. This means that once you enroll in a PDP or MA-PD, you must use a pharmacy that is part of your plan's network.

In October, more information about plans and pharmacy networks will be available. At that time, ask your current pharmacist which PDPs and MA-PDs they are participating in.

If you plan to use ADAP assistance, make sure that the pharmacy you choose is also in the ADAP network.

Extra Help—also known as Low Income Subsidy (LIS)

Medicare Part D will offer financial assistance to low income beneficiaries.

This assistance is being called *extra help* or the Low Income Subsidy (LIS).

If you are eligible for both Medicare and Medi-Cal, you will automatically qualify for the *full extra help* (Low Income Subsidy).

If you have a Medi-Cal *share of cost* (see p. 4), you should qualify for the *full extra help* in year 2006. See your benefits counselor, case manager or advocate about qualifying for *extra help* in 2007 and later.

The full Low Income Subsidy means you will not have to pay your Medicare Part D premium (as long as you enroll in a fully subsidized plan) and deductible. You will have no *donut hole* or gap in coverage and it will reduce your co-payments for drugs.

Additional resources for information about Medicare Part D

CALIFORNIA RESOURCES

ADAP/Ramsell

(company that administers ADAP)
www.ramsellcorp.com or
1-888-311-7632

California Health Advocates

www.cahealthadvocates.org

California Medicare Information

www.CalMedicare.org

Disabilities Benefits 101

www.db101.org

Health Insurance Counseling and Advocacy Program (HICAP)

1-800-434-0222

NATIONAL RESOURCES

Medicare

www.medicare.gov or
1-800-MEDICARE
(1-800-633-4227)

Centers for Medicaid and Medicare Services

www.cms.gov

Medicaid

www.cms.hhs.gov/states/default.asp

Medicare Rights Center

www.medicarerights.org

Henry J. Kaiser Family Foundation

www.kff.org

Social Security

www.socialsecurity.gov

Treatment Access Expansion Project (TAEP)

www.taepusa.org

More information about plans, including pharmacy networks, formularies and other details, will be available in October. If you have any questions about Part D, talk to your case manager, benefits counselor or advocate; visit online at www.medicare.gov; or call 1-800-MEDICARE.

Medicare Part D: important dates to remember

MAY 2005

A letter was sent to you from CMS (Center for Medicaid and Medicare) telling you that you automatically qualify for *extra help* without applying for it. *Extra help* is a subsidy from Medicare that helps pay for your prescription drugs.

OCTOBER 2005

You will receive a letter from CMS with information about the Prescription Drug Plan (PDP) to which you have been assigned. You do not need to stay in this plan! You can review the available plans and pick the best one for your needs.

Plan information will be posted at www.medicare.gov. You will also receive the *Medicare & You 2006* handbook in the mail. This handbook will have information about Medicare Part D's Prescription Drug Plans (PDPs) and Medicare Advantage Managed Care Health Plans with Prescription Drug Coverage (MA-PDs).

It is important that you keep this handbook. Discuss its contents with your case manager, advocate or benefits counselor and become informed about the various plans available to you. You can also call **1-800-MEDICARE** (1-800-633-4227) to discuss plan options.

NOVEMBER 15, 2005

This is the first day you can change plans. There will be multiple plans from which you can choose.

JANUARY 1, 2006

Medicare Part D prescription drug coverage begins and your primary Medi-Cal prescription drug coverage ends.

Things to do by December 31, 2005

CHECK
THE
BOXES
ON THIS
LIST
WHEN
DONE

- Save and organize all of the letters and documents you receive from CMS, Social Security Administration (SSA), California Department of Health Services, Ramsell Corp. (ADAP), Medi-Cal services, and community groups concerning Medicare Part D.
- Look for information and workshops about Medicare Part D for clients.
- If you have employer-based coverage, work with your employer to choose your best option.
- Review the plan you are assigned to by CMS.
- Carefully read the *Medicare & You 2006* handbook when it arrives in October 2005.
- If you can access the internet, visit online at www.medicare.gov for Medicare Part D info. You can also call **1-800-MEDICARE** (1-800-633-4227) and discuss the different drug plans with a Medicare representative. However, this line primarily helps seniors and may not have all the information you need to make a good plan decision.
- Review and evaluate the plans that are available to you and choose the best option. If possible, talk with your case manager, benefits counselor or advocate about plan options.

- ❑ Choose and join a Medicare Part D prescription drug plan. If you do not choose a plan, CMS will automatically enroll you in the same plan you were assigned to in October 2005.
- ❑ Make sure to choose a plan with an easily accessible pharmacy that is also in the ADAP network.
- ❑ If you are not currently enrolled in ADAP, you should apply. Talk to your case manager, advocate or medical provider about how to apply. Starting October 1, 2005 you can also visit online at www.ramsellcorp.com to review ADAP qualification requirements and find a convenient enrollment site, or call **1-888-311-7632**.
- ❑ In December, ask your doctor and Medi-Cal for a 100-day supply of any medications you will need after January 1, 2006. This will ensure that you have the medication during the transition from Medi-Cal to Medicare.

IMPORTANT INFORMATION ABOUT ADAP COVERAGE

- ADAP can help pay co-pays and deductibles **only** for those drugs that are **also** on the ADAP formulary.
- To receive assistance from ADAP, you will have to go to a pharmacy that is in your Prescription Drug Plan (PDP) or Managed Health Care Plan with Prescription Drug Coverage (MA-PD) and in the ADAP pharmacy network.

**This publication was produced as a joint project
of the following organizations:**



Project Inform
205 13th Street, Suite 2001
San Francisco, CA 94103

415-558-8669 fax 415-558-0684

National HIV/AIDS Treatment Infoline
1-800-822-7422

EMAIL support@projectinform.org

WEBSITE www.projectinform.org



San Francisco AIDS Foundation
995 Market Street, #200
San Francisco, CA 94103

415-487-3000 fax 415-487-3009

EMAIL policy@sfaf.org

WEBSITE www.sfaf.org

Special thanks to Julie Cross, State HIV/AIDS Benefits
Coordinator, California State Office of AIDS for her input.