What You Need To Know About Medicare Part D

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Information is available to the general public on the Medicare Part D Website. www.medicare.gov/part_d

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Medicare Part D, also called the Medicare prescription drug benefit, is a United States federal-government program to subsidize the costs of prescription drugs and prescription drug insurance premiums for Medicare beneficiaries. You are only able to sign up for a Part D plan or make changes to coverage you currently have at two specific times of the year:

- **Open Enrollment Period** for Medicare Advantage and Medicare prescription drug coverage. (October 15 – December 7)
- **Medicare Advantage Disenrollment Period** – only for people leaving Medicare Advantage Plans to return to traditional Medicare and add a Part D plan. (January 1 – February 14) – or under certain circumstances, such as when you move outside the geographic area of your current Part D plan.


You would get drug coverage from a private company approved by Medicare and could either buy a Part D plan in addition to your traditional Medicare coverage, or get it as part of the coverage through a Medicare Advantage insurance plan. If your Medicare Advantage plan includes drug coverage you would only obtain a Part D drug plan if you were going back to traditional Medicare coverage. Your coverage and costs may vary significantly depending upon what insurance plan you have chosen, particularly for cancer drugs.

**THE COSTS MAY INCLUDE A:**

1. Monthly insurance premium (you can ask your Part D plan to have this deducted from your monthly Social Security payment.)
2. Deductible – may vary among Medicare drug plans and have specified annual caps. This is the amount you have to pay out-of-pocket before your Part D insurance benefits kick in.
3. Copayment (you pay a set amount for all drugs on a “tier” in addition to your monthly insurance premium)/Coinsurance (you pay a percentage of the drug cost in addition to your monthly insurance premium). The drug plan insurance pays the rest.

- Initial Coverage Limit (ICL): Once you have met your yearly deductible, you will pay a copayment or coinsurance for each covered drug until you reach your plan’s out-of-pocket maximum (or initial coverage limit). You will then enter your plan’s coverage gap (also called the “donut hole”).
- Coverage gap (“donut hole”): A regulatory threshold that, when reached, changes the proportion of what you pay and the Part D insurance plan pays for drugs, until your out of pocket payments hit another threshold. Inside the coverage gap, you pay a higher percentage of the plan's costs for drugs than you did before, and the plan pays a lower percentage, but all dollars you pay count toward hitting the next threshold that gets you out of the coverage gap.
- Catastrophic coverage: Once you have paid the specified annual out of pocket expense to reach the second threshold, you are out of the coverage gap. Once your payments take you beyond the coverage gap levels, you are automatically eligible for “catastrophic coverage.” This assures you only pay a small coinsurance amount or copayment for covered drugs while the Part D insurance plan pays the rest for the remainder of the year.
4. Late Enrollment Fee (Additional Premium)

- Once you are on Medicare, you must be covered by Medicare Part D or a creditable (equal or better than Prescription Plans offered through Medicare Part D) plan, even if you do not currently require any prescription medications.
- Anyone who remains uncovered by a Medicare Part D plan or one that is creditable for 63 days or more will be charged a financial penalty by the government.
- This penalty is permanent and is paid as an additional premium directly to Medicare, not to your Part D drug insurance plan. Arrangements can be made to take that additional premium out of your monthly Social Security payment.
- It is imperative to retain all documentation of creditable Medicare Part D coverage used as an alternative to signing up with the Part D program itself.

Three ways to avoid paying a late enrollment penalty:

- Join a Medicare Prescription Drug Plan when you are first eligible.
- Do not go 63 consecutive days or more without a Medicare drug plan or other creditable drug coverage.
- Tell your Part D plan about any drug coverage you had. If you do not tell the plan about creditable drug coverage, you may have to pay a penalty.

CONSIDERATIONS TO HELP DECREASE THE COST OF MEDICATIONS:

- You may use a mail-order pharmacy or one in the plan’s network.
- You may use drugs on the plan’s formulary, generic, if possible.
- Review your plan coverage. Certain cancer treatments that can be provided in the physician’s office under Medicare Part B may have significantly different co-payments than drugs provided under the Part D program. If you have traditional Medicare, you have the option to buy supplemental insurance to help with your co-payments. You do not have that option with Medicare Advantage insurance.
- Check if you qualify for “extra help” directly from Medicare and/or your State Pharmaceutical Assistance Program (SPAP). www.medicare.gov/pharmaceutical-assistance-program/state-programs.aspx.
- Find out if the company that makes your drug offers help paying for it or if there are other foundations or patient assistance programs that can help.

MEDICARE PART D COVERAGE:

- You can enroll during open enrollment at the Medicare website, by calling Medicare or by calling the individual insurance company or through their website.
- Since January 2006, new Medicare supplement policies are not allowed to offer Part D coverage, which means that supplemental policies cannot be used to offset patient co-payments and co-insurance obligations under Part D, only for traditional Medicare.
- Many companies offer separate prescription plans under Part D.
- Since plans are different from state to state, it is wise to investigate the plans specific to your state.
THE FOLLOWING IS NEEDED TO DETERMINE WHICH COMPANY IS BEST FOR YOUR MEDICARE D PLAN:

- Medicare Card
- List of Medications with dosage and frequency taken
- Your zip code

THE FIRST STEP IN FINDING A PLAN IS TO GO TO:

- www.medicare.gov/find-a-plan/questions/home.aspx
- This page offers tools to do a general or personalized search of creditable drug and health plans recognized by Medicare.
- There is also a step-by-step overview showing how to find a plan.
- These include separate prescription drug insurance plans as well as Medicare Advantage plans with prescription plans.

ONCE YOU HAVE A LIST OF POSSIBLE PLANS THAT WILL COVER YOUR NEEDS:

1. Check the formulary for each company:
   - The formulary lists the drugs covered by the company as well as the tier assigned.
   - Generally the higher the tier, the higher the co-pay or co-insurance paid by the patient for the drug.
   - In some cases, if your drug is on a higher tier and your prescriber thinks you need that drug instead of a similar drug on a lower tier, you or your prescriber can ask your plan for an exception to get a lower copayment.
   - Be sure your medication is covered for the full dosage you need each month. For example, some medication coverage may be for only 21 days of the month.
   - Many medications are only covered with prior authorization from your provider. This requires a formal request to the insurance plan from your doctor before you receive treatment. You may not know if the company will authorize a particular medication until after you have enrolled in the insurance plan, but you can always ask.
   - The plan can change its formulary during the year adding or deleting covered drugs.

2. In addition to the information on the Medicare D plan finder page, check the coverage and estimated price by calling each company as well as going to their website.

3. Note: Effective 2016, your prescribers need to be enrolled in Medicare for your prescriptions to be covered by your plan.

IF YOU CANNOT NAVIGATE THE MEDICARE D WEBSITE YOU CAN GET ASSISTANCE BY CALLING:

- Medicare: 1-800-MEDICARE or 1-800-633-4227
- Your State Health Insurance Assistance Program (SHIP)- The number can be located at: www.medicare.gov/Contacts/ or by calling Medicare.

For more information: www.medicare.gov/part-d/
A Glossary of terms may be found at: www.medicare.gov/find-a-plan/staticpages/glossary/planfinder-glossary.aspx