



Center for Medicare Advocacy's MEDICARE D-CODER



CMS/HHS says...	What it means...
CMS says that Medicare Part D is voluntary.	You don't have to sign up now, but if you don't, a penalty might apply. This penalty will be about 1% of the average national monthly premium for each month during which the individual could have been in Part D.
Medicare Part D adds prescription drug coverage to Medicare.	Part D covers some of the costs for certain drugs and not all drugs will be covered. Beneficiaries will have a deductible, and will have to pay premiums and co-payments.
It's the same Medicare you've always counted on, plus more benefits like prescription drug coverage.	<p>Medicare drug coverage will be provided by private health insurance companies, not by the Medicare program itself. This is different from how Parts A and B of Medicare work.</p> <p>Each drug plan can:</p> <ul style="list-style-type: none"> • Set and change its own benefit; • Offer different co-payments for different kinds of drugs; • Choose what drugs to include on the list of drugs they will cover; and • Change the list of covered drugs during the year.
There are some gaps in coverage.	<ol style="list-style-type: none"> 1. Beneficiaries have to pay the first \$250 as a deductible each year. 2. Medicare will pay 75% of costs between \$250-\$2,250 worth of drugs on their plan's formulary or list of prescription drugs the private plan covers. 3. Once this initial payment cap is reached, most people will have a gap in coverage, known as the "donut hole". In other words, beneficiaries will be responsible for all drug costs between \$2,250 and \$5,100. 4. Upon passing the "donut hole", Medicare will begin paying about 95% of the cost of covered drugs until the end of the calendar year. The "donut hole" will result in people having to pay \$3,600 for their medications if they have high medical needs. 5. The monthly premium must still be paid during the "donut hole".
Part D has an out of pocket limit.	Only certain payments count towards the yearly \$3,600 out of pocket limit.
There's extra help for low-income seniors.	The law eliminates Medicaid drug coverage. People who are eligible for both Medicare and Medicaid are entitled to prescription drug coverage under Medicare Part D, with no premium, deductible, or donut hole. A <u>full subsidy</u> or "extra help" is available for people with incomes up to 135% of the federal poverty level and assets less than \$6,000 for an individual and \$9,000 for a couple. A <u>partial subsidy</u> is available for people with incomes up to 150% of the federal poverty level and assets less than \$10,000 for an individual and \$20,000 for a couple.

For more information, please see www.fairmedicare.org or www.medicareadvocacy.org.

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