

Informed Choices:

A Consumer Guide to

Medicare Prescription Drug Coverage



Workbook produced by the Elder Network of the Capital Region in collaboration with Albany, Rensselaer and Schenectady Counties.

Acknowledgements

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Commissioners' Letter

November 14, 2005

Dear Neighbor,

In 2003, the U.S. Congress passed the Medicare Modernization Act (MMA) — the most far reaching change to Medicare since its beginning in 1965. Although the MMA addressed many facets of Medicare coverage, the legislation is most known for its creation of the Medicare prescription drug coverage program that will provide enrollees of Medicare Part A and/or B with a new prescription drug benefit beginning January 1, 2006.

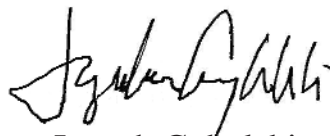
Over the next few months, you will hear a lot about Medicare prescription drug coverage. The Federal Government has approved many private insurance plans to market Medicare prescription drug coverage in New York State. These private insurers are in competition for your business and will actively seek to have you join their plan. **Take your time in making this important health care decision.** Most of you will have until May 15, 2006 to pick a plan. If you need help in making this decision, assistance is always available through your local Health Insurance Information, Counseling and Assistance (HIICAP) Program. Just call your county Area Agency on Aging and ask to speak to someone trained on Medicare prescription drug coverage. You will find the telephone numbers for your county's Area Agency on Aging in Appendix A.

We are also very fortunate in New York State to have EPIC— an insurance program administered by the state Department of Health that currently assists over 350,000 seniors with their pharmaceutical needs. Please be assured, EPIC prescription coverage is here to stay! For the greatest savings, you should consider enrolling in both EPIC and a Medicare prescription drug plan. EPIC will pay for most drugs not covered by your Medicare prescription drug plan. In addition, if you are approved for Extra Help from Medicare and choose a Medicare prescription drug plan, you will not have to pay any EPIC enrollment fees! (See Question #1 of this workbook for more information about Extra Help.)

We hope that you find this workbook helpful in sorting through the information you will receive on Medicare prescription drug coverage and making a fully informed decision.



Vincent Colonno
Albany County



Joseph Cybulski
Rensselaer County



William C. Koester
Schenectady County

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Informed Choices: A Consumer Guide to Medicare Prescription Drug Coverage

Medicare prescription drug coverage is a new prescription drug benefit that is available beginning January 2006 to all persons currently eligible for Medicare Part A and/or Part B. The initial enrollment for the first year of the program begins on November 15, 2005 and ends May 15, 2006. For those with limited income and resources, the program provides for “**Extra Help**” toward the costs of your prescription drug coverage.

As a Medicare beneficiary, you will be faced with many choices over the next few months. This workbook was designed to help you through the process of organizing information and deciding what parts of Medicare prescription drug coverage apply to your specific circumstance. This workbook also addresses **EPIC** and how this important state program for seniors works with Medicare prescription drug coverage. You will find helpful “Informational Tips” throughout the workbook on how Medicare and **EPIC** work together to bring you the best coverage possible.

Remember, this is a very important health care decision that you will be making. Take your time in making your final decision! Please try to attend one or more of the community events planned in your county regarding Medicare prescription drug coverage. The more you hear and talk about this new benefit, the easier it will be to make an informed decision.

How To Use This Workbook

The goal of this workbook is to help you organize information in such a way as to help you make an *informed choice* about Medicare prescription drug coverage. There are two sections to the workbook:

Part One: Determining my options — provides essential information about getting *extra help* to pay for Medicare prescription drug coverage costs. It will also help you understand whether you need to join a Medicare prescription drug plan to receive prescription drug coverage. In Part One, you will address the following three questions:

1. *What is “extra help” and does it apply to my situation?*
2. *What if I already have coverage? What choices do I have?*
3. *Do I have to join a Medicare prescription drug coverage plan?*

Part Two: Deciding what plan is best for me — walks you through 4 questions that help you determine your needs and whether a Medicare prescription drug plan can meet those needs. In addition, it provides a worksheet that allows you to compare the Medicare prescription drug plans available in your area so you can see what each plan has to offer. In Part Two, you will address the following questions:

4. *What are my actual prescription drug coverage needs?*
5. *What information should I be asking for from Medicare prescription drug plans?*
6. *How does EPIC fit with Medicare prescription drug coverage?*
7. *How does my Medigap policy fit in with Medicare prescription drug coverage?*

Part Two ends with an exercise asking you to summarize all the decisions you have made in questions 1 through 7 and then asks you to think about Medicare prescription drug coverage and what option best fits your needs. Additional information about how to join a Medicare prescription drug plan is then provided for those who are ready to make a decision.

Informational Tips

Please note, to make a fully informed decision, you should complete the entire workbook. Although you may be tempted to skip around and use only those parts of the workbook that appear to fit your current circumstance, take the time to read through the entire workbook. It will help you become more familiar with Medicare prescription drug coverage and how the new program works.

Remember that if at any time you need to speak to someone to clarify your options or to review your decision, there are several agencies that will have trained staff and/or volunteers to assist you. Contact information for these agencies is included as Appendix A of this workbook.

Before You Get Started

Before you get started, take the time to collect the following information. *Making a fully informed decision requires that you have all the necessary information in front of you.* As you collect the following items, check them off the list below.

- Your Social Security number
- Your Medicare Card

Some people with limited incomes will be eligible for *extra help* in paying for their Medicare prescription drug coverage premiums and co-insurance. In order to determine your eligibility for this extra help, you will need the following information:

- Amount of assets you have in savings, investments, cash surrender value of life insurance policies with a face value of \$1,500, and real estate (Do not include your home, vehicles, burial plots, or personal possessions). If you are married, you will need to include your spouse's assets.
- Income amounts from all sources.
- The amount that someone helps you to pay for expenses related to food, mortgage, health, fuel or gas, electricity, water, and property taxes. Do not include food stamps, house repairs, help from a housing agency, an energy assistance program, Meals on Wheels, or help with medical treatment and drugs.

Informational Tip

Take the time to determine if you are eligible for extra help. If you do qualify, it can significantly decrease the amount of coverage related expenses (including your premium, co-pays, deductibles, etc.) that you will be personally responsible for paying.

If you already have coverage, you will need to determine if your current prescription drug coverage is ***at least as good as*** Medicare prescription drug coverage. To do this, you will need the following information:

- The letter that you should have received from your insurance provider (including EPIC and Medigap and Medicare Advantage providers) or retirement/union plan that says whether your coverage is ***“on average at least as good as”*** a Medicare prescription drug coverage. (The letter may use the term ***“creditable coverage,”*** which means it has been deemed to be “at least as good as” a Medicare Medicare prescription drug plan.) Call your plan or benefit administrator to get a copy of this letter if you have not received it by November 14, 2005.

Informational Tip

Save this letter! It will allow you to join a Medicare prescription drug plan in the future without paying a higher premium for late enrollment if you lose your current coverage through no fault of your own and/or want to join a Medicare prescription drug plan in the future!!!

To determine what prescription drug coverage you currently need, everyone must have the following information — ***even if they have coverage already:***

- List of all your drugs, the dosages, whether they are generic or brand-name, and their cash costs (ask your pharmacist for a printout)
- List of your preferred pharmacies and their addresses

For those with current prescription drug coverage, you will also need:

- A list of drugs that you use that are NOT covered by your current prescription plan (if any)
- Your current co-pay (co-insurance) amounts
- Your current deductible level(s)
- Your current annual premium cost

BASIC INFORMATION: BENEFITS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE

Medicare prescription drug coverage plans must offer benefits *on average at least as good as* the basic Medicare prescription drug coverage benefit package specified in law. Under a policy that offers a *basic* Medicare prescription drug coverage package *YOU* will pay:

- a monthly premium (average for New York State will be about \$30 for 2006)
- the first \$250 of your drug costs each year (deductible)
- 25% of the cost of covered drugs between \$251 and \$2,250
- 100% of the cost of covered drugs between \$2,251 and \$5,100
- 5% of the cost of covered drugs above \$5,101 (or a co-payment of \$2 for covered generics and \$5 for covered brand-name drugs—whichever is greater)

Medicare will pay:

- 75% of the cost of covered drugs between \$251 and \$2,250
- 0% of the cost of covered drugs between \$2,251 and 5,100
- 95% of the cost of covered drugs over \$5,101

Many approved plans are offering *better* than the basic plan, with premiums ranging from \$0 (if you belong to a Medicare Advantage Plan) to a little over \$80. Some plans even have deductibles that are lower than the basic plan's \$250 deductible — with some prescription drug plans having a \$ 0 deductible! *Take your time to shop around.* You can find a Medicare plan that is affordable and offers you coverage that meets your prescription needs.

Informational Tips

You have plenty of time during the initial enrollment period (November 15, 2005 through May 15, 2006) to choose a plan that is right for you! Remember, there will be many opportunities in your community to attend free workshops and clinics where trained staff and/or volunteers can assist you in completing this workbook.

You will receive a lot of information about Medicare prescription drug plans. Take the time to look for the approved Medicare Prescription Drug Benefit program logo that says “Medicare Rx” with the words “Prescription Drug Coverage” directly beneath. *If you are suspicious of the information you are receiving, call New York State Operation Restore Trust at 1-877-678-4697 to report possible Medicare fraud.*

Part One: Determining My Options

Question #1: What is “extra help” and does it apply to my situation?

People with limited incomes and resources may be able to get extra help with drug plan costs. Some individuals *automatically* receive extra help because they have a benefit status (for example, they are enrolled in Medicaid, Supplemental Security Income (SSI) alone, and/or a Medicare Savings Program) that the federal government has determined qualifies them for extra help in paying for their prescription drug coverage under the Medicare prescription drug coverage program. Others who may have limited incomes but are not enrolled in a Medicaid or a Medicare Savings Program will have to apply to get these important savings.

Programs that qualify you for extra help:

➔ **Medicaid** is a program that pays for a wide range of medical care, services and supplies for those who cannot afford to pay for health related expenses. To qualify for *full* Medicaid in 2006, an individual person must have income below \$692 per month and resources below \$4,150. For a couple, their combined income must be below \$900 per month and resources below \$5,400. You can apply for Medicaid at your Local Department of Social Services. See the Contact Sheet in Appendix A for the phone number to call in your county.

➔ There are also individuals who may have *excess income* but who have medical bills that bring them close to or below the Medicaid income level. These people may qualify for Medicaid if they spend the excess income on medical bills. This is called a **Medicaid spenddown**. You can apply for Medicaid at your Local Department of Social Services. See the Contact Sheet in Appendix A for the phone number to call in your county.

➔ **Supplemental Security Income (SSI)** is a federal assistance program for those who are aged, blind, or disabled and have limited income and resources. Eligibility determination is made by the Social Security Administration (SSA) and is based on a lengthy set of income and resource rules. See the Contact Sheet in Appendix A for the SSA telephone number to call in your area.

➔ Many older adults have limited incomes, but their income is not quite low enough to qualify for Medicaid. They may be eligible, however, for a **Medicare Saving Plan (MSP)** that uses Medicaid dollars to offset Medicare costs. If you have a limited income, you may qualify for one of the following MSP programs that automatically qualify you for extra help in paying your prescription drug coverage costs.

Programs		Income Below	Resources Below
Qualified Medicare Beneficiary Program (QMB) — Pays for Part A or B premium, coinsurance and deductibles.	Single	\$837 per month	\$4,000
	Couple	\$1,120 per month	\$6,000
Specified Low Income Medicare Beneficiary (SLIMB) — Pays Part B premium only if individual has Part A.	Single	\$1,000 per month	\$4,000
	Couple	\$1,340 per month	\$6,000
Qualified Individual-1 (QI-1) — Pays for the Medicare Part B premium only.	Single	\$1,123 per month	—
	Couple	\$1,505 per month	—
Qualified Disabled and Working Individual (QDWI) — Pays for the Medicare Part A premium only.	Single	\$1,654 per month	\$4,000
	Couple	\$2,220 per month	\$6,000

(Based on January 2006 figures from the New York State Department of Health)

Determination of Eligibility for Extra Help by the Social Security Administration: Anyone who has limited income but is not enrolled in Medicaid, SSI, or a Medicare Savings Plan will need to apply at the Social Security Administration to receive extra help. An individual qualifies if their income is below \$14,355 and their assets below \$10,000. Married couples living together qualify if their income is below \$19,245 and their assets below \$20,000.

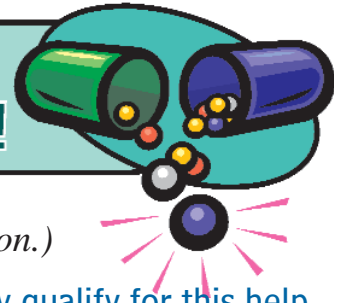
Informational Tips

Anyone 65 and older receiving assistance from a Medicare Savings Program may be eligible to have their EPIC enrollment fees waived if they join EPIC. When combined with Medicare prescription drug coverage, the consumer can increase their savings by joining EPIC. Call EPIC at 1-800-332-3742 to find out if you are eligible and how to apply. Even if you don't receive assistance from Medicaid or Medicare, or you don't qualify for the extra help, you may still qualify for EPIC! See Question #6 to find out more information on EPIC.

See the Contact Sheet in Appendix A for contact information for your Local Department of Social Services if you wish to apply for Medicaid, Medicaid spenddown, or a Medicare Savings Program.



Now it's time to look at the options!



(Check the box that best describes your situation.)

- I received a notice/letter from Medicare saying I automatically qualify for this help.
Suggested Action: If you checked this box, you do not have to do anything to get extra help in paying for your prescription drug coverage. You can go to Question #2.
- I am receiving assistance through Medicaid, Supplemental Security Income (SSI), or a Medicare Savings Program but did not receive a notice saying I automatically qualify for the extra help.
Suggested Action: If you checked this box, you should contact the Social Security Administration (SSA) immediately. They will help you decide if you qualify for *extra help* and can walk you through the process if you do. See the Contact Sheet in Appendix A for information on how to contact the nearest SSA office to you.
- I am on a Medicaid spenddown program and did not receive a letter.
Suggested Action: If you checked this box, you should contact your case worker at your Local Department of Social Services or Area Agency on Aging. They will help you determine if, when, and how you should apply for extra help.
- I am not currently receiving any assistance through Medicaid or a Medicare Saving Program but based on the income guidelines on the previous page, I may qualify.
Suggested Action: If you checked this box, call your local Department of Social Services to find out how to apply. If you are eligible, you will automatically qualify for Medicare prescription drug coverage's extra help. See Appendix A for contact information for your local Department of Social Services. **Remember, anyone 65 and older receiving assistance from a Medicare Savings Program may be eligible to have their EPIC enrollment fees waived if they join EPIC.** Call EPIC at 1-800-332-3742 to find out if you are eligible and how to apply.
- I do not fit any of these categories because my income and/or resource levels are above the specified limits.
Suggested Action: If you checked this box, you probably do not qualify for extra help. However, even if you don't receive assistance from Medicaid or Medicare, or you don't qualify for the extra help, you may still qualify for EPIC! (See Question #6 to find out more information on EPIC.) You can use it along with Medicare prescription drug coverage for the greatest savings on your prescription needs.

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None of these categories fit my circumstance.

Suggested Action: If you checked this box, you should call your local Area Agency on Aging and ask to speak to someone trained in Medicare prescription drug coverage. They will take your information and assist you in a private, confidential setting. See Appendix A for contact information for your county’s Area Agency on Aging.

Question #2: What if I already have prescription drug coverage?

Many people already have prescription drug coverage either through a Medigap policy, employer or retirement plan, Medicare Advantage Plan (like an HMO or PPO), and/or the New York State Elderly Pharmaceutical Insurance Coverage (EPIC) program. If you have one or more of these plans, you will need to ask yourself the following two questions:

1. Is my current coverage “on average, at least as good as” the benefit I would receive under Medicare prescription drug coverage?

You should receive a letter from your insurance provider, union, or employer by November 14, 2005 telling you if your current coverage is a “creditable” plan — meaning it is “on average at least as good as” or better than the standard Medicare prescription drug benefit. If this letter says your current coverage ***IS*** “on average at least as good as” the Medicare prescription drug benefit, you can keep your current coverage as long as it is still offered by the state, your employer, union, or insurance company. You **will not** have to pay a higher premium if you lose that coverage through no fault of your own and choose to join a Medicare prescription drug plan after May 15, 2006. (Remember, it is important to **save the letter** stating your coverage is “creditable” coverage! Place it with your other important papers.)

If the letter says your current coverage is ***NOT*** “on average, at least as good as” Medicare prescription drug coverage, you should consider joining a Medicare prescription drug plan. If you wait, you may be penalized with higher premiums if you decide to join a Medicare prescription drug plan after open enrollment ends on May 15, 2006. Please note, you can keep your current coverage and choose not to enroll in Medicare prescription drug coverage, ***but*** you risk having your premium go up at least 1% for every month you wait to enroll after May 15, 2006. *Remember, before you join a plan or complete the “extra help” application, you need to contact your health benefits administration to see how this would affect your current coverage.*

If you are enrolled in a **Medicare Advantage Plan** (like an HMO or PPO) that has not previously covered drug prescriptions, you should carefully read the letter from your plan to see what prescription drug options are being offered. You can choose to: a) stay in the same Medicare Advantage Plan; 2) switch to another Medicare Advantage Plan; OR 3) join a “stand alone” Medicare prescription drug plan and go back to Original Medicare.

You may want to consider switching to another Medicare Advantage Plan if you qualify for extra help and your plan does not offer a free option. Otherwise, you may not get the benefit of extra help.

2. What do I do if I have not received my letter or I misplaced it?

Any organization offering drug prescription coverage is being required by the federal government to notify you of whether your coverage is “on average, at least as good” as the standard Medicare prescription benefit. You may have already received this letter; if not, you should receive it before November 14, 2005. Call the Human Resources/Benefits department at your insurance provider, union, or employer to request the letter if you have not received it by November 14, 2005 or if you misplaced it.



- I do not currently have prescription drug coverage of any kind.

Suggested Action: If you checked this box, you should seriously consider joining a Medicare prescription drug coverage plan before May 15, 2006 or you risk paying a higher premium if you join Medicare prescription drug coverage at some later date. This penalty is discussed more fully in Question #3 below. If you are in a **Medicare Advantage Plan** (like an HMO or PPO), the letter should indicate what options the plan is making available to you for prescription drug coverage. *Remember, you should consider switching to another Medicare Advantage Plan if you qualify for extra help and your plan does not offer a free prescription drug option.*

- I have received a letter indicating my coverage is “creditable” and “on average, at least as good as” the basic Medicare prescription drug coverage plan.

Suggested Action: If you checked this box, your coverage has been deemed to be an acceptable alternative to Medicare prescription drug coverage. If you are satisfied with the policy you have and its cost, you do not have to do anything further in this workbook. However, reading it can help you better understand the Medicare prescription drug coverage program. In the case of EPIC enrollees, you should still consider enrolling in a Medicare prescription drug plan since enrollment in both EPIC and Medicare often results in the greatest savings to the consumer. Use *Worksheet 2: Comparing the Plans* in Part Two of this workbook to determine if you should enroll in both EPIC and a Medicare prescription drug plan or stay in EPIC alone. Re-

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member to save your letter regarding creditable coverage in case you need to enroll in a Medicare prescription drug plan at a later time.

- I have received a letter indicating my coverage is “on average, not as good as” the standard Medicare prescription drug coverage plan.

Suggested Action: If you checked this box, you should seriously consider joining a Medicare prescription drug coverage plan before May 15, 2006 or you risk paying a higher premium if you join Medicare prescription drug coverage at some later date. This penalty is discussed more fully in Question #3 below. If you are in a **Medicare Advantage Plan** (like an HMO or PPO), the letter should indicate what options the plan is making available to you for prescription drug coverage. *Remember, you should consider switching to another Medicare Advantage Plan if you qualify for extra help and your plan does not offer a free prescription drug option.*

- I have not received a letter from my insurance provider, retirement plan, or union telling me if my coverage is “as good as” the standard Medicare prescription drug coverage benefit.

Suggested Action: If you checked this box and are receiving prescription drug coverage through an *employer based* plan or a union, contact your employer or union’s benefits administrator before you make any decisions about your prescription drug coverage. If you checked this box and your prescriptions are currently covered by a *Medigap or some other insurance policy*, contact the organization before you make any decisions about your prescription drug coverage. You cannot make an informed decision without this information.

- None of these categories fit my circumstance.

Suggested Action: If you checked this box, you should call your local Area Agency on Aging and ask to speak to someone trained in Medicare prescription drug coverage. They will take your information and assist you in a private, confidential setting. See Appendix A for contact information for your county’s Area Agency on Aging.

Question #3: Do I have to join a Medicare prescription drug plan?

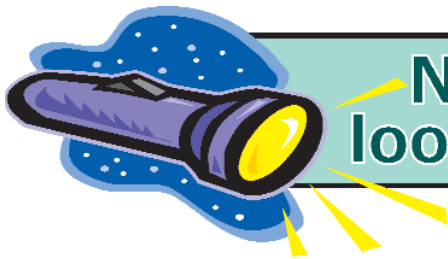
Although Medicare prescription drug coverage is a *voluntary* program, there are four points you should consider before deciding not to join a Medicare plan.

➔ Unless you have a letter indicating you have creditable (“on average at least as good as”) coverage, you need to enroll in a plan by May 15, 2006 to avoid a higher premium. The penalty for late enrollment is 1% of the average premium price. For example, if you are now 65 and you wait 5 years to enroll when you are 70, you will have on average a premium that is approximately 60% (5 years x 12 = 60 months) higher than someone who enrolled in the initial enrollment period.

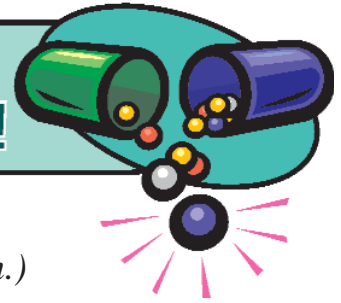
➔ In some cases, you will be auto-enrolled into a Medicare prescription drug coverage plan. ***If you are in a group already receiving Medicaid and Medicare (dual eligibles), you will no longer have prescription drug coverage through Medicaid after December 31, 2005.*** You will receive your drug coverage through a Medicare prescription drug plan. Dual eligibles must join a Medicare prescription drug plan. If not, they will lose their Medicaid benefits. For full Medicaid and Medicare beneficiaries, your effective date of coverage will be January 1, 2006.

➔ People in Medicare Savings Programs and people who qualify for *extra help* but do not have Medicaid will go through “facilitated enrollment”— meaning they will be automatically enrolled with an effective date of June 1, 2006 if they do not pick a plan by May 15, 2006.

➔ Even if you do not take a lot of prescription drugs now, you should still consider joining a drug plan in 2006. As we age, most of us will need prescription drugs to stay healthy. Ask around, talk to your doctor and/or peers to get a sense of what your future healthcare and prescription drug coverage needs may be. If your drug utilization is low or you do not need any prescriptions at this time, consider joining a plan with a very low or “0” premium. Toward the end of this workbook, you will have a chance to ask yourself what level of risk you are willing to take today related to your future healthcare and prescription drug coverage needs. For the time being, start to think about it and talk it over with your doctor, family, and friends.



Now it's time to look at the options!



(Check the boxes that describe your situation.)

- I participate in the Medicaid and/or SSI Program.

Suggested Action: If you checked this box, you will be automatically enrolled in a Medicare prescription drug coverage plan with an effective date of January 1, 2006. You will receive a letter from Medicare about your enrollment. You need to start comparing plans so you can make an informed choice. You will be allowed to change your plan on a monthly basis. Remember, however, to make sure that you choose a plan that does not require an additional premium!

- I participate in a Medicare Savings Plan and/or have been approved for extra help.

Suggested Action: If you checked this box, you will be “facilitated enrolled”—meaning you will be automatically enrolled with an effective date of June 1, 2006 if you do not pick a plan by May 15, 2006. If you do choose a plan, make sure it does not require an additional premium! **Remember, anyone 65 and older receiving assistance from a Medicare Savings Program may be eligible to have their EPIC fees waived if they join EPIC.** Call EPIC at 1-800-332-3742 to find out if you are eligible and how to apply. It can save you even more on your prescription drug costs.

- I participate in EPIC and do not have Medicaid coverage.

Suggested Action: In Part Two of this workbook, you will be asked to compare plans and prescription coverage. Use the worksheet in Question # 5 to see what EPIC offers you. You will find that if you keep EPIC **and** join a Medicare prescription drug coverage Plan, EPIC often provides a very beneficial *wrap-around* coverage that is cost-effective. Remember, if you qualify for “full extra help,” your premiums under EPIC will be waived if you join a Medicare prescription drug coverage plan! You will get the best of both EPIC and Medicare prescription drug coverage.

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- I have prescription drug coverage that has been deemed to be “at least as good as” a Medicare prescription drug coverage plan.

Suggested Action: If you checked this box, joining Medicare prescription drug coverage for you is completely voluntary and you will not incur a penalty if you decide to enroll at some future time. You may want to compare your current coverage with the new Medicare prescription drug plans, however, to ensure you are getting the best deal. You will be asked to do this in Part Two of this workbook. ***Before you join a Medicare drug plan or complete the “extra help” application, you need to contact your health benefits administration to see how this would affect your current coverage!*** It could have negative consequences, so check it out first before taking any action!

- I have prescription drug coverage that has been deemed to be NOT “as good as” Medicare prescription drug coverage.

Suggested Action: If you checked this box, you should seriously consider joining a Medicare plan before May 15, 2006. Although Medicare prescription drug coverage remains a voluntary program, you will have to pay a higher premium if you join a Medicare prescription drug plan at some later date. If you are in a Medicare Advantage Plan (like an HMO or PPO), the letter should indicate what options the plan is making available to you for prescription drug coverage. *Remember, you should consider switching to another Medicare Advantage Plan if you qualify for extra help and your plan does not offer a free prescription drug option.*

- None of these categories fit my circumstance.

Suggested Action: If you checked this box, you should call your local Area Agency on Aging and ask to speak to someone trained in Medicare prescription drug coverage. They will take your information and assist you in a confidential setting. See Appendix A for contact information regarding your local Area Agency on Aging.

Informational Tips

If you have a pharmacy that you prefer to use for your prescriptions, ask the pharmacist if he or she participates in the Medicare drug plan you are considering. If your pharmacy does not participate in the plan you choose, you will have to change your pharmacy.

Part Two: Deciding What Plan is Best for Me

Question #4: What are my actual prescription drug coverage needs?

Medicare prescription drug plans will cover generic and brand name drugs. Plans are required to cover at least two drugs in each classification of drugs. The prescription drugs covered by the plan are called their “formulary.” In this part of the decision making process, you begin by understanding your prescription drug needs. *Everyone should ask their pharmacist for a list of their current prescriptions, their dosage, whether each drug is generic or a brand name, and the drug’s total “cash price.”* (The cash price is the total amount the drug would cost someone without prescription drug coverage. Your pharmacist can provide you with this information.) This will help you choose a plan that covers the drugs you are taking now. You should also ask your pharmacist what plans they participate in. It will help narrow your search for a plan that meets your needs. *Remember, if your pharmacy does not participate in your chosen Medicare prescription drug plan, you will have to change pharmacies.*

Fill in *Worksheet 1: My Current Prescriptions* based on the list of drugs from your your pharmacist. Once you have filled in this chart and calculated your total annual drug cost, you are ready to proceed to Question #5.

Worksheet 1: My Current Prescriptions				
Drug Name	Dosage	Generic or Brand-name	Monthly cost based on full cash price (get from your pharmacist)	Yearly cost based on full cash price (To calculate, multiply monthly cost by 12)
1.				
2.				
3.				
4.				

Worksheet 1: My Current Prescriptions

Drug Name	Dosage	Generic or Brand-name	Monthly cost based on full cash price (get from your pharmacist)	Yearly cost based on full cash price (To calculate, multiply monthly cost by 12)
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

Total Estimated Annual Cost of Prescriptions \$ _____

(To calculate, add entire column of “Yearly Cost based on full cash price.”)

Question #5: What information should I be asking for from Medicare prescription drug plans?

Now that you know your prescription drug needs, you are ready to compare plans. You can use *Worksheet 2: Comparing the Plans* on the next page to organize the information about the Medicare prescription drug plans in your area.

If you have current coverage, you should enter that information in Row #1. This is the baseline from which you should judge other plans. If you do not have current coverage, then leave Row #1 blank.

Row #2 is for EPIC. If you do not qualify for EPIC, then leave this row blank as well.

Before you begin, you should know that:

➔ Plans are allowed to call you at home to offer information. *If you do not wish to be called at home, you should call 1-888-567-8688 and ask to be placed on the “Do Not Call Registry.”* If you are on the Do Not Call Registry, you will need to contact the plans in your area to obtain information for the following worksheet or go to www.medicare.gov to access the Medicare prescription drug plan finder tool. *If a plan calls you and you do not want them to call again, tell them that.* They have to honor your request.

➔ As you talk to a plan representative, use *Worksheet 2: Comparing the Plans* as a guide. *Be firm with the plan representative;* insist that they give you the information you need to complete the worksheet on the next page. Using the worksheet will make it easier to speak to plan representatives in an informed manner.

➔ Medicare prescription drug coverage plans have strict marketing regulations. They can provide you with information but they cannot make a decision for you. *Only you or your authorized representative can make that decision.*

➔ If you travel a lot and stay in other parts of the country for extended periods, you should seriously consider a *national plan*. Just ask the plan representative if their plan in question is a local, regional, or national plan.

➔ The Centers for Medicare and Medicaid Services created a website tool (www.medicare.gov) where you can enter your prescriptions by computer and find out what plans cover your drugs. You should also look for Medicare Prescription Drug Coverage Workshops or other events in your area where you can learn more about your options.

My Preferred Pharmacies and their addresses:

Worksheet 2: Comparing the Plans

		PLAN COSTS				PLAN DETAILS	
Plan Name	Does the plan cover all my drugs?	Monthly premium	Amount I pay for each prescription (co-pay)	Yearly deductible	Are there gaps in coverage where I pay all costs?	Can I use my pharmacy?	Is mail order available?
1. My Current Prescription Plan <input type="checkbox"/> Creditable <input type="checkbox"/> Not Creditable							
2. EPIC (Call 1-800-332-3742 to determine eligibility & benefit level.)							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

Worksheet 2: Comparing the Plans

		PLAN COSTS				PLAN DETAILS	
Plan Name	Does the plan cover all my drugs?	Monthly premium	Amount I pay for each prescription (co-pay)	Yearly deductible	Are there gaps in coverage where I pay all costs?	Can I use my pharmacy?	Is mail order available?
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							
22.							

Question #6: How does EPIC fit with Medicare prescription drug coverage? Is it right for me?

The Elderly Pharmaceutical Insurance Coverage (EPIC) Program is a New York State sponsored prescription drug plan for people 65 and older who need help paying for their prescriptions. EPIC has been deemed to be *creditable* and an acceptable alternative to Medicare prescription drug coverage.

Who can join?

- ➔ New York State residents can join EPIC if they are 65 or older, and have an annual income of \$35,000 or less if single, or \$50,000 or less if married.
- ➔ People who receive full Medicaid benefits or have other prescription coverage that is better than EPIC are *not* eligible for EPIC benefits.

How does EPIC work?

- ➔ EPIC is a cost-sharing program. Under the current 2005 program, adults residing in New York State, 65 and older with moderate incomes, pay a low quarterly fee and participate in the Fee Plan (singles up to \$20,000; married seniors with income up to \$26,000). Higher income seniors (\$20,001 to \$35,000 for singles and \$26,001 to \$50,000 for couples) join the Deductible Plan that has no fees but an income based deductible. When the deductible is met, seniors save more than half of their prescription drug costs for the rest of the year. Call EPIC at **1-800-332-3742** to see if you qualify.

If I have EPIC, should I still consider joining a Medicare prescription drug plan?

- ➔ Yes, EPIC recommends that all enrollees should consider joining a Medicare prescription drug plan! EPIC will continue to exist after Medicare prescription drug coverage takes effect. You can keep your EPIC coverage even if you join a Medicare prescription drug plan. If you do enroll in a Medicare prescription drug plan, Medicare will pay benefits first and EPIC will be your secondary payor for your prescription drugs.
- ➔ Your EPIC enrollment fees will be waived if you qualify for “Full Extra Help” and join a Medicare drug plan, offering you the best possible coverage for a low cost. EPIC can serve as a *wrap-around*, covering drugs and costs that may not be covered by your Medicare drug plan.
- ➔ If you are in the EPIC fee plan, you will pay lower EPIC co-payments for most drugs using EPIC and Medicare together. You will pay the EPIC co-payment on any Medicare deductible. It should be noted that you will have to pay both your EPIC fees and Medicare monthly drug premium to use both benefits.

➔ If you are in the EPIC deductible plan and have a high deductible or never meet your EPIC deductible, you can begin saving sooner using EPIC and Medicare. Any out-of-pocket drug costs including your Medicare deductible will get credited to your EPIC deductible. Once you reach your EPIC deductible, you will pay lower EPIC co-payments for most drugs. You will have to pay the Medicare monthly premium and you cannot apply the amount of your Medicare premium to your EPIC deductible.

➔ If you have been approved for extra help from Medicare and join a Medicare drug plan, your EPIC enrollment fees will be waived. You will pay only \$2 for generic drugs and \$5 for brand drugs. EPIC will pay for most drugs that are not covered by the Medicare drug plan.



(Check the box that best describes your situation.)

I qualify for “extra help.”

Suggested Action: If you qualify for *full* extra help (see Question #1), you should consider joining EPIC or staying in the program if you are already enrolled. You will have no premiums to pay for the additional coverage that EPIC will provide. Remember the Social Security Administration determines whether you are eligible for “full” or “partial” extra help. **Make sure you choose a plan that does not require an additional premium.**

I do not qualify for “extra help.”

Suggested Action: Your decision to stay on or join EPIC should depend on:

- whether it is a **cost effective** way of providing prescription coverage for medications perhaps not covered by your Medicare prescription drug plan; and/or
- it helps in taking care of the deductibles and/or gaps in coverage under a basic Medicare Care prescription drug plan.

Look over your completed **Worksheet 2: Comparing the Plans** and determine how EPIC can work with the Medicare prescription drug plans. Once you review Worksheet 2 and have an idea of EPIC’s cost effectiveness, you can decide whether EPIC is right for you.

None of these categories fit my circumstance.

Suggested Action: If you checked this box, you should consider calling EPIC and speaking to someone regarding your Medicare prescription drug coverage and EPIC options. You can contact EPIC at **1-800-332-3742.**)

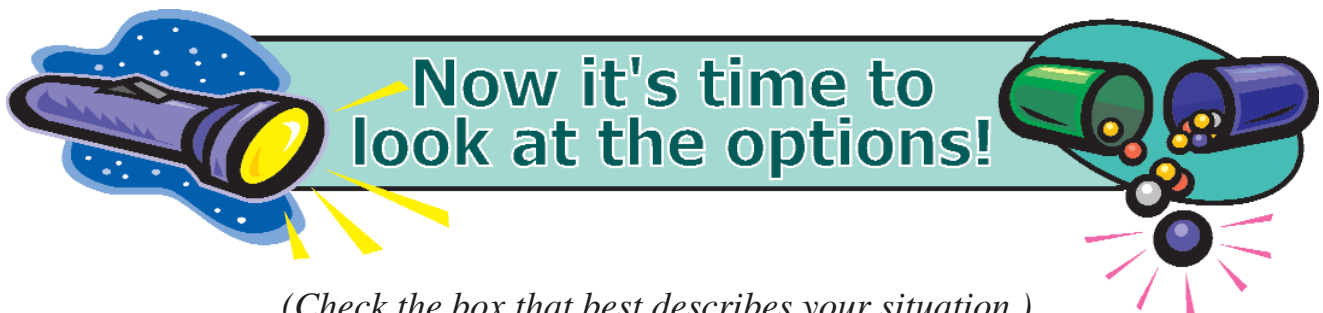
Question #7: How does my Medigap policy fit in with Medicare prescription drug coverage?

Why would I want to drop my current Medigap prescription drug coverage?

Medicare prescription drug coverage is generally better than most (though not all) Medigap plans. Once you have completed *Worksheet 2: Comparing the Plans*, you will be able to compare your Medigap policy to Medicare prescription drug coverage plan policies. In most cases, you will find you will save money with Medicare prescription drug coverage. Furthermore, your overall coverage for prescription drugs will probably be better. Remember, you cannot have both Medigap drug coverage and Medicare prescription drug coverage at the same time.

What choices do I have if I decide to drop my Medigap prescription policy?

1. You can drop your Medigap drug coverage and obtain another Medigap policy to cover your doctor and hospital care. Remember, you must contact your Medigap insurance company if you decide to drop your drug coverage OR to join a Medicare Prescription Drug Plan and buy a different Medigap policy without drug coverage. Your Medigap insurance company **MUST** offer you its best available rate even if you have a health problem. You must apply for your new Medigap policy within 63 days after your new Medicare prescription drug coverage starts.
2. You could also join a Medicare Advantage Plan or other Medicare Health Plan in your area, like an HMO or PPO, which includes Medicare prescription drug coverage.



(Check the box that best describes your situation.)

- I have completed “Worksheet 2: Comparing the Plans” and have examined my Medigap policy and compared it with Medicare prescription drug coverage and cost. (If you checked this box, you have the information needed to make an informed choice.)
- I have not completed “Worksheet 2: Comparing the Plans” (If you checked this box, you do not have the information needed to make an informed choice.)

Final Thoughts Before You Make the Big Decision

Basic Questions You Need to Ask Yourself

Before making your final choice about Medicare prescription drug coverage, you need to consider the following factors:

- ➔ What level of coverage do you really need, both now and in the future?
- ➔ What will it cost you?
- ➔ How convenient will the plan pharmacies be if you join a plan?
- ➔ How willing are you to risk paying a higher premium for not enrolling in a Medicare prescription drug plan before May 15, 2006 when the initial enrollment period ends?

Examine the work you have done in this workbook as you address consider these factors. Use the space below to write your thoughts down. Following this exercise, you will be asked to make a decision.

Coverage Considerations

After talking with my peers and providers, what decision did I reach on the level of drug prescription coverage I need, both now and in the future?

Which Plan(s) covers all or most of my prescriptions?

Financial Considerations

Which Plan best fits within my financial means?

Is there a way in which I can use EPIC to supplement Medicare prescription drug-coverage benefits?

Convenience of Pharmacy Service Considerations

Which Plans have my pharmacy in their network?

Future Risk Consideration

How willing am I to risk paying a higher premium at a later date for not enrolling in a Medicare prescription drug plan before May 15, 2006 when the initial enrollment ends?



The Decision



(Check the box that best describes your decision.)

- I have decided not to join a Medicare prescription drug plan.

Suggested Action: If you checked this box, we hope that you have found this workbook to be useful in making this important health care decision. You are now finished. Keep this information and workbook in a safe place so you can return to it if you need to later.

- I have decided to join a Medicare prescription drug plan.

Suggested Action: If you checked this box, you should go to the next step to find additional information on how to join a Medicare prescription drug coverage plan. We hope that you have found this workbook useful in making this important health care decision. Keep this information and workbook in a safe place so you can return to it later if you need to.

- I think I have my answer, but I need to talk it over with someone before making my final decision.

Suggested Action: If you checked this box, call your local Area Agency on Aging and ask to speak to someone trained in Medicare prescription drug coverage. They will take your information and assist you in a confidential setting. See Appendix A for information on how to contact your county Area Agency on Aging.

Enrollment: An Informational Tip Sheet

How do I join?

You can join:

- ***By paper application:*** Contact the company offering the drug plan you choose and ask for an application.
- ***On the Plan's website:*** Visit the drug plan's company website. You may be able to join online.
- ***On Medicare's website:*** You will also be able to join a drug plan at www.medicare.gov on the web using Medicare's online enrollment center. Drug plan participation in Medicare's enrollment center is voluntary, so not all plans will offer this option.

What will I need?

You will need your Social Security number and the number on your Medicare card when you join.

Final Caution:

You will receive a lot of information about Medicare Part D plans.

Take the time to look for the Medicare Prescription Drug Benefit program logo comprised of the words “**Medicare Rx**” with the words “**Prescription Drug Coverage**” directly beneath. *If you are suspicious, call New York State Operation Restore Trust at 1-877-678-4697 to report possible Medicare fraud.*

Appendix A: Contact Sheet

Federal and State Offices:

Name of Agency	Telephone #	Comments
New York State Operation Restore Trust	1-877-678-4697	If you are suspicious, call New York State Operation Restore Trust at 1-877-678-4697 to report possible Medicare fraud.
Social Security Administration	1-800-772-1213	Call 1-800-772-1213 or go on-line at http://s00dace.ssa.gov/pro/foi/foihome.html to find your nearest local office.
EPIC	1-800-332-3742	

Albany County:

Name of Agency	Telephone #	Address
Albany County Department for Aging	518-447-7177	162 Washington Ave. Albany, NY 12210
Albany County Department of Social Services	518-447-7300	162 Washington Ave. Albany, NY 12210

Rensselaer County:

Name of Agency	Telephone #	Address
Rensselaer County, Unified Family Services, Depart. for the Aging	518-270-2730	1600 7th Ave. Troy, NY 12180
Rensselaer County Department of Social Services	518-270-3928	1801 6th Ave. Troy, NY 12180

Schenectady County:

Name of Agency	Telephone #	Address
Senior & Long-Term Care Services	518-382-8481	107 Nott Terrace Schaffer Heights, Suite 202 Schenectady, NY 12308
Schenectady County Department of Social Services	518-388-4470	487 Nott St. Schenectady, NY 12308

This workbook was developed by

