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Medicare Rx Annual Open Enrollment

Answers to
Key Questions

Inside!

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MAPRx brings together beneficiary, family caregiver and health professional organizations committed to improving access to prescription medications and safeguarding the well-being of beneficiaries with chronic diseases and disabilities under Medicare Prescription Drug Coverage (Part D).

2013 Medicare Prescription Drug Annual Open Enrollment

Questions & Answers

The Annual Open Enrollment for Medicare prescription drug coverage (Part D) is October 15, 2012 – December 7, 2012. **This is the one time each year that all people with Medicare can join or change their Medicare drug plan.** Certain people with Medicare can also change plans at other times (see question #13). Plans are making changes to benefits and costs, and there are also new plans in many areas of the country. In 2013, people who enter the coverage gap (“donut hole”) will pay 47.5% of the cost of brand-name drugs on their plan’s formulary while they are in the gap and 79% of the cost of generics on their formularies while they are in the gap. With these changes, your current plan may or may not be the best plan for you in 2013.

It is very important to use this time period to compare your plan choices and find the plan that best meets your prescription drug needs at the lowest cost. All plans will make changes in 2013. Following are answers to some important questions that can help you during the Annual Open Enrollment.

1 *Will my Medicare Part D plan be the same in 2013 as it was in 2012?*

No. All Medicare Part D plans will change in 2013. Use this annual open enrollment time to compare plans and find the plan that best meets your prescription drug needs at a cost you can afford.

2 *In what ways could my plan change in 2013?*

Your current plan may have changed:

- the monthly premium;
- the annual deductible;
- your share of the costs (co-payment or coinsurance);
- the list of the drugs it covers (formulary);
- additional coverage, if any, it offers beyond the discounts in the coverage gap; and/or
- use of policies that may restrict access to certain drugs, such as:
 - requires your doctor to justify why you need a certain drug before the plan will pay for it (called prior authorization);
 - requires your doctor to prescribe a different drug in the same class of drugs first (called step therapy); and/or
 - only lets you buy a certain amount of a drug at a time (called quantity limits).

Starting in 2013, Part D plans will cover benzodiazepines and will cover barbiturates used in the treatment of epilepsy, cancer, or a chronic mental disorder.

Your plan may also decide not to participate in 2013. If you are one of the few people whose plan is not participating in 2013, your plan sent you a letter in early October explaining that you will need to select a new plan. You can pick a new plan between October and January 2013 as part of the Special Enrollment Period.

3 *How do I know what changes my plan is making in 2013?*

You should have received a letter from your current plan called an “Annual Notice of Change/Evidence of Coverage” by September 30. This letter explains some of the important changes to your plan, including changes to the name of the plan, to the premium, the drugs covered (formulary), the cost of the drugs, and any restrictions used that limit the access to drugs. It is very important to read this letter as these changes can have a large impact on the cost of your drugs. If you did not receive the Annual Notice of Change/Evidence of Coverage letter, call your plan immediately.

While very important, **this letter probably does not have all the details you need** to determine if your current plan is the best plan for you in 2013. You also need to know how these changes apply to the drugs you use. You can find this information by looking on the plan’s website or in the Medicare Prescription Drug Plan Finder at www.medicare.gov or by calling the plan or 1-800-MEDICARE; (1-800-633-4227/TTY: 1-877-486-2048).

Question 3 continued next page

Question 3 continued from previous page

You may have received a summary of the formulary with the Annual Notice of Change/Evidence of Coverage letter. If you did not receive a copy of the formulary, call the plan and they will send you a copy or tell you if your drugs are covered. The phone number for the plan's customer service department is included in the letter you received. You may also get information about the formulary from the plan's website, by using the Medicare Prescription Drug Plan Finder at www.medicare.gov, or by calling 1-800-MEDICARE (TTY: 1-877-486-2048).

4 **Should I compare my plan with other plans available in my area in 2013?**

Yes, this is very important to do. Other plans may provide you with better or less costly coverage for the drugs you need. Often the single most important factor in choosing a plan is comparing the drugs you take to the plan's formulary. The lack of coverage for one drug for a chronic condition can be the most important factor in terms of what your drug costs will be. The best way to compare your current plan with other plans is to use the Medicare Plan Finder at www.medicare.gov—click "Find health and drug plans". The Plan Finder will allow you to complete either a personalized or general search for drug coverage and estimated costs for plans in your area in 2013. In addition, the Plan Finder tool will allow you to compare coverage and costs with other plans in your area. Estimates are based on drug prices on the date you compare plans; your actual out-of-pocket costs may vary.

An important feature on the Plan Finder is an estimate of your total monthly costs over a 12-month period for each of the plans that you are considering. If you have entered the drugs you take, this information appears in a chart near the bottom of each plan's *Drug Costs & Coverage* tab in a section titled *Estimated Monthly Drug Costs*.

5 **What is the "coverage gap"?**

The coverage gap is also called the "donut hole." The coverage gap is a period during which you have to pay a portion of the costs for your drugs and continue to pay your monthly premium to keep your coverage.

If you get Extra Help (Low-Income Subsidy) paying your drug costs, you won't have a coverage gap. However, you will have to pay a small co-payment or coinsurance amount for each prescription until you reach catastrophic coverage.

6 **How does the coverage gap work?**

The coverage gap begins after you and the plan together have spent a certain amount (no more than \$2,970) on drugs that are included on the plan's formulary and bought at a pharmacy in the plan's network.

The coverage gap ends after you, your plan and drug manufacturers together have spent \$6,733.75 in total drug costs paid. **Only money spent on drugs on the plan's formulary that are bought at a pharmacy in the plan's network counts toward the coverage gap totals.**

After \$6,733.75 has been spent, you qualify for catastrophic coverage—at which time you will pay only your monthly premium and up to 5% of your drug costs. [See the chart on the next page for more details.]

None of these amounts include what you spend on your monthly premiums.

7 **Has the coverage gap changed since last year?**

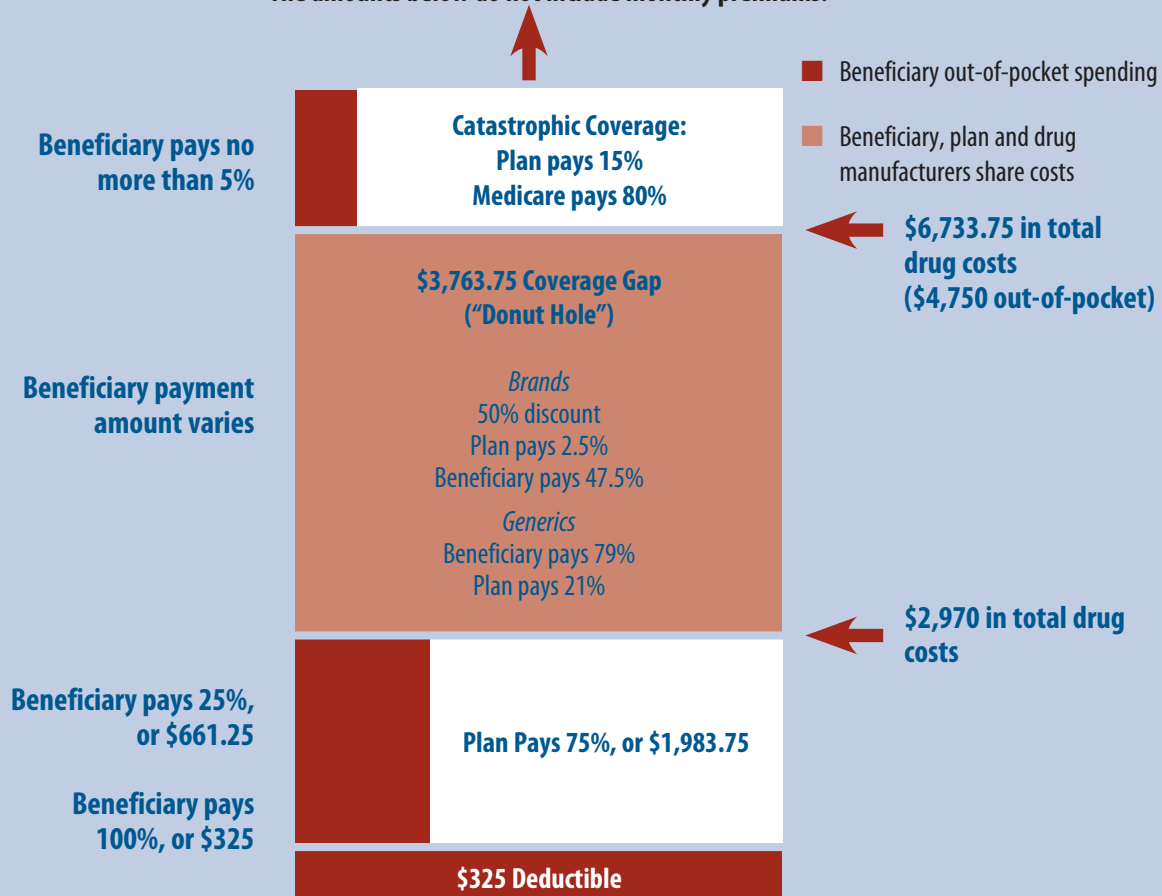
Yes. As in 2012, you will get a 50% discount on brand-name prescription drugs on your plan's formulary while you are in the coverage gap. You will get this discount at the time you buy the drugs. The costs of the discount are covered by the drug's manufacturer. Your plan will also cover 2.5% of the cost for brand-name drugs while you are in coverage gap. You will be responsible for 47.5% of the cost. In 2013, all plans will also cover 21% of the cost of generic drugs on their formularies during the coverage gap. These changes do not apply if you already receive Extra Help.

8 **What does it mean if a plan offers "coverage in the gap"?**

Some plans provide coverage in the coverage gap in addition to the 21% coverage for generic drugs and 50% discount / 2.5% coverage for brand-name drugs. Plans with additional coverage in the gap may charge a higher monthly premium. Before enrolling in such a plan it is important to check with the plan to make certain the drugs you need are covered in the gap. The *Drug Costs & Coverage* tab on the *Your Plan Comparison* page on the Plan Finder will show your estimated monthly costs for each plan you are considering, how those costs will or will not change during the coverage gap, and by how much. Depending on your prescription drug needs, plans with additional coverage in the coverage gap may not save you money and may end up costing you more due to higher premiums and cost sharing.

Standard Medicare Prescription Drug Benefit, 2013

The amounts below do not include monthly premiums.



Based on "Explaining Health Care Reform: Key Changes to the Medicare Part D Drug Benefit Coverage Gap," Kaiser Family Foundation, March 2010.

9 What happens if a drug I take is not on a plan's formulary?

You must pay the **full** cost for any drug not on the formulary. **The money you pay for these drugs does not count toward the total amount that you must spend to qualify for catastrophic coverage.** That is why it is important to make sure that your drugs, especially the most expensive ones, are on the formulary of the plan you select. You, your authorized representative or your doctor can ask for a "coverage determination" (exception) to get your plan to cover a drug when it is not on the plan's formulary. See question #3 in the next section of this document for more details.

10 What do I have to do if I decide that I want to stay in my current plan for 2013?

Nothing. You will stay enrolled in your current plan unless you sign up for a new plan.

11 If I decide to change plans, how and when should I do it?

You can enroll in a new plan by contacting the plan you want to enroll in or by calling 1-800-MEDICARE (TTY: 1-877-486-2048) or by visiting www.medicare.gov.

You can change your plan for 2013 by enrolling in a new plan between October 15 and December 7, 2012. However, **it is best to make the change as early as possible to ensure that you can get the prescriptions you need without delay on January 1, 2013.** There is no fee for changing to a new plan. After enrolling in the new plan for 2013, you will be automatically disenrolled from your 2012 plan. You should not notify your 2012 plan of the change.

12 *If I'm in a Medicare Advantage Plan, but am not happy with the health coverage, can I drop my Medicare Advantage Plan and return to Original Medicare by itself and add a drug plan?*

Yes, you can switch plans during the Part D Annual Open Enrollment Period from October 15 through December 7, 2012.

You can also switch plans during the Medicare Advantage Disenrollment Period from January 1 through February 14, 2013. During this period, you can only switch from your Medicare Advantage plan with drug coverage to Original Medicare but you must also join a separate stand-alone drug plan if you want prescription drug coverage. The booklet *Medicare & You 2013* has important information about Medigap protections for people switching from Medicare Advantage plans to Original Medicare.

Enrollment Period Overview and Options

	October 15-December 7, 2012		January 1-February 14, 2013
	Part D*	Medicare Advantage (MA)*	Medicare Advantage (MA)*
People who have Medicare Part A <u>OR</u> Part B, <u>but not both</u>	Add, switch or drop prescription drug coverage	Not available.	Not available.
People who have Medicare Part A <u>AND</u> Part B and have:	Maintain Original Medicare and maintain or change prescription drug plan	Join an MA plan with or without prescription drug coverage	Not available.
Original Medicare and prescription drug coverage			
Original Medicare and no prescription drug coverage	Maintain Original Medicare and add prescription drug coverage	Join an MA plan with or without prescription drug coverage	Not available.
An MA plan with Medicare prescription drug coverage	Switch to Original Medicare with the option of joining a prescription drug plan	Switch to another MA plan with or without prescription drug coverage	Switch to Original Medicare and join a prescription drug plan
An MA plan with no prescription drug coverage	Switch to Original Medicare with the option of joining a prescription drug plan	Switch to another MA plan with or without prescription drug coverage	Switch to Original Medicare and join a prescription drug plan

Enrollment Period Overview and Options for People with Extra Help

	October 15-December 7, 2012	January 1-March 31, 2013
People who no longer qualify for Extra Help in 2013	Add, switch or drop a prescription drug plan or an MA plan	Add, switch or drop a prescription drug plan or join an MA plan during this special enrollment period for this group
People who qualify for Extra Help	Switch to another Medicare drug plan or an MA plan at any time as long as they continue to get Extra Help.	

***Important Note:** It is not advised to drop prescription drug coverage **UNLESS** you can get other prescription drug coverage that is at least as good as Medicare's coverage (creditable coverage).



13 *What if I change prescription drug plans, but find that I don't like my new plan?*

In general, you can only switch to another plan from October 15 to December 7 each year. However, there are a few special exceptions that allow you to change to a new plan during 2013, such as if you move out of the service area, lose your employer drug coverage, enter or leave a nursing facility, or if you qualify for Extra Help. That is why it is so important to review your options before enrolling. There is also a special enrollment period for plans that receive the highest possible quality rating from CMS.

14 *What is the special enrollment period for "5-star" plans?*

CMS rates plans for quality using a stars system. The best possible score is 5 stars. In October 2012, CMS released a list of 5-star prescription drug plans and Medicare Advantage plans for 2013. The Medicare Plan Finder includes the "Overall Plan Rating" in the listing for each plan. You can sort the plans in your area based on "Overall Plan Rating" to easily find those with a 5-star rating.

Under the special enrollment period for 5-star Medicare Advantage and stand-alone prescription drug plans you can switch into a 5-star plan at any time during the plan year. This enrollment period will start on December 8, 2012, after the open enrollment period ends. You can make this change only once during the plan year.

Very few plans receive the 5-star rating and there may not be a 5-star plan in your area. The 5-star plans in your area may not be the best options for you in terms of cost, network providers and coverage. You should compare the 5-star plans to your current plan to make sure that you have the same coverage and access to your doctors and other health providers before making the switch to a new plan.

15a *If I previously applied and qualified for Extra Help (Low-Income Subsidy), do I qualify in 2013?*

If you applied and qualified for Extra Help at any time and are receiving Extra Help now, Social Security **may** have contacted you to review your eligibility status for 2013. In late August 2012, Social Security mailed letters to people who were selected for review and included a form to complete called "Social Security Administration Review of Your Eligibility for Extra Help" (Form SSA-1026). You had 30 days to complete and return this form. Any changes in

the amount of Extra Help you will receive will be effective in January 2013.

If you qualified for Extra Help in 2012, but were not selected for a review, you will not receive a form from Social Security and there should be no change in the amount of Extra Help you receive. If you are unsure of your Extra Help status, call 1-800-MEDICARE (TTY: 1-877-486-2048).

If you have been notified by Social Security that you are no longer eligible for Extra Help in 2013, you will still be enrolled in your plan. After January 1, 2013, you will have to pay monthly premiums and your share of the drug costs. However, during a one-time Special Open Enrollment period, you can change Part D plans between January 1 and March 31, 2013. This will be an important opportunity for you to change to a new plan if you find that your existing plan is not your best option.

15b *If I automatically qualified for Extra Help in 2012, will I qualify in 2013?*

If you automatically qualified for Extra Help in 2012, you will continue to automatically qualify in 2013 if you:

- Receive both Medicare and Medicaid;
- Have your Medicare Part B premiums paid by your state because you belong to a Medicare Savings Program; or
- Receive both Medicare and Supplemental Security Income (SSI).

Medicare beneficiaries who automatically qualified in 2012, but who will **not** automatically qualify in 2013, should have received a notice on grey paper from Medicare [CMS Publication No. 11198] in September 2012.

The notice explains why you no longer automatically qualify and will encourage you to complete an enclosed Social Security application for Extra Help as soon as possible. The application for Extra Help should be returned to Social Security in the postage-paid envelope provided.

16 *Have the rules for Extra Help changed over time?*

Yes. Starting in 2010, Social Security no longer counted life insurance you have as a resource when deciding if you qualify for Extra Help. They also no longer count help you receive from others with your household expenses to decide if you get Extra Help.

Question 16 continued next page

Question 16 continued from previous page

You should know though that some states may still count life insurance and the help you receive from others to decide if you are eligible for your state's Medicare Savings Program (MSP). These programs can help pay for your Medicare Part B premiums and other Medicare costs.

If you applied for Extra Help before January 1, 2010, and were turned down because your income or savings were too high, these changes mean that you may be able to get Extra Help in 2013. Call 1-800-772-1213 or visit www.socialsecurity.gov or www.benefitscheckup.org.

If you apply for Extra Help, Social Security will send the information to your state's Medicaid agency to start the process for getting you into your state's MSP. If you do not want your information to go to the state, there is a box you can check on the application for Extra Help.

17 *If I received Extra Help in 2012 and qualify again in 2013, will my drug costs change?*

Maybe. Your co-payment levels will increase or decrease if you have a change in your income or assets, or if you enter or leave a nursing facility or other institution.

If you continue to automatically qualify for Extra Help and your co-payment levels are changing in 2013, you should have received a letter on orange paper from Medicare [CMS Publication No. 11199] in early October telling you your new co-payment amounts.

Questions You May Have After Enrollment

1 *I enrolled in a Part D plan but I haven't heard anything. Is this normal?*

No. You should have received a welcome letter and a prescription card from the plan. Contact the plan right away to confirm that you are enrolled.

2 *I enrolled in a drug plan in December and got a letter welcoming me into the plan, but nothing else. I have nothing to show the pharmacist. How can I get prescriptions filled without a card?*

Contact your plan immediately. If you need to get your prescription filled before your card arrives, bring the letter you received from the plan that confirms you have enrolled with you to the pharmacy. If you don't have a letter, ask

18 *What if I did not join a Medicare Part D plan when I was first eligible, but I would like to join one now?*

You can enroll in a plan during the Annual Open Enrollment. You may have to pay a premium penalty if you did not have coverage that is at least as good as Medicare's coverage ("creditable coverage") during the first/initial period that you were eligible to enroll. The penalty amount is calculated based on the number of months you were eligible but did not enroll. If you have to pay a premium penalty, most people will have to pay it for the rest of their life. The penalty will be added to your monthly Medicare private Part D plan premium.

If you qualify for Extra Help with your Medicare prescription drug coverage, you can enroll anytime and pay no late enrollment penalty.

19 *Can I get free help to make decisions about Medicare Part D plans?*

Yes. Every state has a State Health Insurance Assistance Program (SHIP) that offers free one-on-one counseling and assistance to people with Medicare and their families. SHIP offices are located throughout each state. To find contact information for the SHIP office closest to your community visit www.shiptalk.org or call 1-800-MEDICARE (TTY: 1-877-486-2048).

your pharmacist to call 1-800-MEDICARE (TTY: 1-877-486-2048). The customer service representative should be able to tell the pharmacist in which plan you are enrolled. If you continue to have problems, you should contact your local SHIP office. You can locate your local SHIP office by visiting www.shiptalk.org or by calling 1-800-MEDICARE (TTY: 1-877-486-2048).

3 *Will my plan cover a drug that I need to take even if it is not on their formulary?*

Maybe. You, your authorized representative or your doctor can ask for a "coverage determination" (exception) to get your plan to cover a drug when it is not on the plan's formulary. Your plan can tell you how and what you need to do. Your doctor can help you with some steps in the process. The plan must decide within 72 hours (or 24 hours for an expedited

2013 Medicare Prescription Drug Annual Open Enrollment | Questions & Answers

Question 3 continued from previous page

review) if they will cover the drug. If they decide not to cover the drug, they must send you a written notice. You also have a right to appeal their decision.

Note: If your drug is not on the formulary, but you are able to get it covered by the plan under the plan's exceptions process, the money you spend on the drug is counted toward qualifying for catastrophic coverage. [See question #6 in the previous section.]

4 *I am having problems with my old Part D plan. I have enrolled in a new Part D plan but my old plan still deducts a premium and it has been doing this for months now. I have called the old plan several times but I still can't resolve the problem. What should I do?*

Report billing errors to 1-800-MEDICARE (TTY: 1-877-486-2048) as well as to the plan. Since your plan has not stopped billing you after you notified it of the error, you may wish to file a complaint (grievance). Ask the plan's customer service representative to send you a complaint form or tell you how to find one on the plan's website. You can also file a complaint (grievance) with Medicare by calling 1-800-MEDICARE.

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