

What You Should Know About Diabetes and Medicare Prescription Drug Coverage

On January 1, 2006, the Medicare program underwent substantial changes, including the introduction of a new prescription drug benefit. People with diabetes should consider the following when choosing a Medicare Part D prescription drug plan:

- Am I required to participate in a Part D plan?
 - o No. You decide whether you wish to participate in Medicare Part D or not. You may want to compare Part D plans to other options you may have for prescription drug coverage.
- Does the plan cover the prescription medications that I use?
 - o Part D prescription drug plans are required to cover syringes, lancets, and medications - but they will vary as to which specific items they will cover. For example, under the Part D regulations, it may be acceptable for a plan to choose to cover Glucophage but not Glucophage XR. Or, the plan could decide it will cover Amaryl, but not Glucotrol. Each Part D plan will have a *formulary* - a list of medications that it will cover. Before signing up for a plan, be sure to check that the plan formulary includes the medications you take.
 - o Also, before signing up, be sure to call your plan's toll-free number to find out:
 - Whether the plan will require you to obtain "prior authorization" before you can obtain your medication. If so, you will need to obtain special permission from the plan before the pharmacy can give you your medicine.
 - Whether the plan will require you to try other similar medications first before covering the medication you have been prescribed. This is called "step therapy."
 - Whether the plan will only allow you to obtain a certain number of pills or doses of your medication each month. This is called a "quantity limit."
- How much of my prescription medications and diabetes supplies will be covered under the plan?
 - o Part D plans are allowed to use "tiering" systems to cover different medications at different rates. For example, a plan may decide to cover 75% of the total cost of Humalog, but only 50% of the total cost of Avandia. Another plan may decide to cover 95% of each.
 - o Before signing up for a plan, call your plan's toll-free number and ask what your out-of-pocket costs for each medication will be.
 - o Many plans cover generic medications at a much more generous rate than brand name medication. Be sure to ask your plan what your savings would be if you switched to generic medications.
- How much will Part D coverage cost?
 - o Part D prescription drug plans are private insurance plans sold by insurance companies. The government has created a "standard plan" that sets guidelines for these private plans to follow. Part D drug plans are not required to follow the "standard plan", but they must offer coverage that is at least as good. Part D drug plans have a great deal of leeway in designing their benefit, so costs and coverage levels can vary.

- If the total cost of your medication is more than \$2,250 per year, you should be aware that there is a coverage gap in the government's "standard plan" where Medicare will not pay for any part of your prescription drug costs. Under the "standard plan", once your total drug spending reaches \$2,250, you will be 100% responsible for paying for all of your medication until your total drug spending reaches \$5,100. If you think you might fall into the coverage gap, you should shop around for a different prescription drug plan that better suits your needs.
 - No matter which Part D plan you choose, you will be responsible for paying the following costs:
 - Your monthly premium
 - Your deductible - This is the amount that you must pay first, before your plan starts helping with your prescription costs. For example, if your plan has a \$250 deductible, each year, you must pay the first \$250 in drug costs before the plan begins covering any of your medication.
 - A portion of the cost of each drug you purchase
 - Under most Part D plans, you must pay a percentage of the cost of each prescription drug you purchase. The plan will pay for the rest.
 - Some Part D plans may choose instead to charge a fixed dollar amount for each prescription drug rather than splitting costs on a percentage basis. In these plans, you will pay a set price for each prescription.
 - Remember that generic medications can cost significantly less than brand name drugs. You may be able to reduce your out-of-pocket costs by switching to generics.
- What if I can't afford to pay for a Part D plan?
- There is help available for people with lower incomes with few savings or other assets. Singles with incomes lower than \$14,355 and couples with incomes lower than \$19,245 may qualify for reduced or eliminated premiums, reduced or eliminated deductibles, and reduced copay amounts. Also, the coverage gap described above may be eliminated for some people in need. You will need to fill out an application form to apply for help. If you have not received this application form in the mail, contact the Social Security Administration at 1-800-722-1213.
- Can I have more time to decide whether a Part D prescription drug plan is right for me?
- Unfortunately, Medicare will charge you a higher premium if you wait too long to sign up for Part D. If you were eligible for Medicare Part D on or before February 15, 2006, but did not enroll by May 15, 2006, you will be subject to a 1% penalty for each month that you delayed in joining. So if you were to wait until May of 2007 to sign up, you would have to pay the base premium PLUS a 12% late enrollment penalty each month for your Part D plan.
 - Some people will not be subject to the late enrollment penalty. For example, if you are eligible for extra help as a low-income beneficiary, or you have just recently become eligible for Medicare, you may not be penalized for enrolling after May 15, 2006. Call 1-800-MEDICARE for more information.

For more information on the Medicare Part D prescription drug benefit, contact Medicare at 1-800-MEDICARE or <http://www.medicare.gov>.