

Medicare Prescription Drug Coverage Fact Sheet

Beginning January 1, 2006, Medicare will begin providing prescription drug coverage through Medicare Prescription Drug Plans (PDPs) that offer drug-only coverage or through Medicare Advantage Plans (MA-PDs) that offer both drug and health care coverage. Both types of plans must offer a standard drug benefit but may also offer an enhanced drug benefit. Certain drugs are excluded from Medicare coverage. These include over-the-counter (OTC) drugs, benzodiazepines, and barbiturates. Drugs and biological products that are paid for by Medicare Part A or B are excluded from Part D.

Individuals eligible for Medicare Part A and/or Part B are eligible for Part D.

Individuals will be able to select and enroll in a PDP or a MA-PD. There is an initial enrollment period from November 15, 2005 through May 15, 2006. There will be an annual open enrollment period for Part D. There are also special enrollment periods under certain circumstances.

The standard drug benefit includes:

- A monthly premium of about \$37
- A yearly deductible of \$250
- Between \$250 and \$2250, the individual pays 25% - this equals \$500 in out-of-pocket expenses
- Between \$2250 and \$5100, the individual pays for all drug costs- this is known as the coverage gap or the donut hole. This equals \$2850 in out-of-pocket expenses.
- After a total of \$5100 in drug expenses [or \$3600 total out-of-pocket expenses ($\$250 + \$500 + \$2850 = \3600)], the individual pays the greater of \$2 generic/\$5 brand or 5% as a co-payment.

Individuals with limited income and resources may be eligible for “extra help” (also known as the low-income subsidy or LIS). The LIS will provide help with the monthly premium, the yearly deductible, the coverage gap, and the co-payments after the individual reaches \$3600 in out-of-pocket expenses. Providers should direct questions about the LIS to the Social Security Administration (SSA). SSA will accept and process applications for the LIS.

Individuals and providers will be receiving information from many sources including Medicare, SSA, PDPs, MA-PDs, Delaware Prescription Assistance Program (DPAP), Chronic Renal Disease Program (CRDP), DHSS, and others.

Social Security

1-800-772-1213

TTY 1-800-325-0778

<http://www.ssa.gov/>

MEDICARE

1-800-MEDICARE

1-800-633-4227

TTY 1-877-486-2048

<http://www.medicare.gov/>

DMAP Provider Relations

1-800-999-3371 or 302-454-7154

<http://www.dmap.state.de.us>

Chronic Renal Disease Program

CRDP can be contacted by

calling the Delaware Helpline

at 1-800-464-4357 (ask to be transferred to CRDP)

or by calling 1-302- 424-7180

DPAP Customer Service

1-800-996-9969

DSS Customer Relations

1-800-372-2022

DMAP Client Pharmacy Call Center

1-800-996-9969

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Full-Benefit Dual Eligible (Medicaid and Medicare)

- Effective 1/1/06, a Medicaid client who has both Medicaid and Medicare (also known as a full-benefit dual eligible) must get their prescription drugs through Medicare Part D with some exclusions. Medicaid is not permitted to cover any Part D drug.
- Beginning 11/15/05, a full-benefit dual eligible will be able to select and enroll with a PDP. If they have not enrolled with a PDP by 12/31/05, they will be auto-enrolled by Medicare into a randomly selected PDP with an effective date of 1/1/06. This will ensure there is no gap in coverage. They should be encouraged to select and enroll with a PDP that will cover the drugs they need.
- There are no premiums or deductibles because a full-benefit dual eligible is automatically eligible for the LIS.
- If Medicare covers the prescription, there is a Medicare co-payment of \$1 generic/\$3 brand for individuals with income that does not exceed 100% FPL or \$2 generic/\$5 brand for individuals with income greater than 100% FPL. Medicaid will not cover the Medicare co-payment. There is no monthly limit on the total client co-payment amount for Medicare covered prescriptions. Clients in nursing homes will have no co-payment after a full calendar month stay.
- Full-benefit dual eligibles do not have to wait for an open enrollment period to change their PDP. They can change plans at any time and the change will be effective the following month. This is done through their PDP.
- Medicaid will cover some of the drugs which are excluded from Part D. These include over-the-counter (OTC) drugs, benzodiazepines, and barbiturates. If a drug excluded by Medicare is currently covered by Medicaid, there will be no change in coverage.
- If Medicaid covers the prescription, a Medicaid co-payment may apply. Medicaid co-payments are limited to a total of \$15.00 per month. This monthly limit only applies to prescriptions covered by Medicaid and not prescriptions covered by Medicare.
- All questions about Part D coverage should be directed to Medicare or the PDP.
- Provider questions regarding policy for Medicaid coverage should be directed to DMAP Provider Relations.
- Client questions regarding policy for Medicaid coverage should be directed to DSS Customer Relations. Client questions regarding specific payment/denial/prior authorizations should be directed to the DMAP Client Pharmacy Call Center.

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QMB/SLMB/QI-1

- Effective 1/1/06, a client eligible as a QMB/SLMB/QI-1 will be able to receive prescription drug coverage through Medicare Part D. They will not receive any prescription drug coverage under Medicaid.
- Beginning 11/15/05, a QMB/SLMB/QI-1 will be able to select and enroll with a PDP. If they have not enrolled with a PDP by 5/15/06, they will be auto-enrolled by Medicare into a randomly selected PDP with an effective date of 6/1/06. They should be encouraged to select and enroll with a PDP prior to 12/31/05 so they start receiving prescription drug coverage effective 1/1/06. If they do not enroll, they will have no Part D drug coverage. They should be encouraged to select and enroll with a PDP that will cover the drugs they need. (NOTE: If they are also eligible for DPAP or CRDP, they will be required to enroll in Part D as a condition of eligibility for these programs. For more information, see the DPAP or CRDP pages.)
- There are no premiums or deductibles because a QMB/SLMB/QI-1 is automatically eligible for the LIS.
- If Medicare covers the prescription, there is a Medicare co-payment of \$1 generic/\$3 brand for QMBs and \$2 generic/\$5 brand for SLMBs and QI-1s. Medicaid will not cover the Medicare co-payment. There is no monthly limit on the total client co-payment amount for Medicare covered prescriptions.
- QMB/SLMB/QI-1s do not have to wait for an open enrollment period to change their PDP. They can change plans at any time and the change will be effective the following month. This is done through their PDP.
- All questions about Part D coverage should be directed to Medicare or the PDP.
- Provider questions about QMB/SLMB/QI-1 coverage should be directed to DMAP Provider Relations.

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Delaware Prescription Assistance Program (DPAP)

- Effective 1/1/06, all DPAP clients who have Medicare must be enrolled with Medicare Part D as a condition of eligibility.
- Effective 1/1/06, all DPAP clients who may be eligible for the LIS must apply and show proof of approval or denial as a condition of eligibility. A client with annual income of no more than \$14,355 for one person (\$19,245 for a couple) and with resources that do not exceed \$11,500 for one person (\$23,000 for a couple) should be referred to SSA to apply for the LIS.
- Beginning 11/15/05, a DPAP client will be able to select and enroll with a PDP. If they do not enroll with a PDP and do not apply for the LIS (if eligible) by 12/31/05, DPAP coverage will terminate. There is no auto-enrollment for the DPAP population unless they are eligible as a QMB/SLMB/QI-1. (For more information, see the QMB/SLMB/QI-1 page). They should be encouraged to select and enroll with a PDP that will cover the drugs they need.
- DPAP will continue to offer a yearly \$2500 benefit. The benefit year is January through December of each year.
- DPAP will pay the basic Medicare Part D premium (if any). The Part D premium will be deducted from the yearly DPAP benefit.
- If DPAP covers the prescription, the standard DPAP co-payment of \$5 or 25%, whichever is greater, is applied.
- If Medicare covers the prescription, there is a Medicare co-payment. The client is responsible for this co-payment.
- DPAP clients who are also QMB/SLMB/QI-1s do not have to wait for an open enrollment period to change their PDP. They can change plans at any time and the change will be effective the following month. This is done through their PDP. Other DPAP clients can only change their PDP during an annual open enrollment period unless they qualify for a special enrollment period.
- DPAP will cover some of the drugs which are excluded from Part D. These include over-the-counter (OTC) drugs, benzodiazepines, and barbiturates. If a drug excluded by Medicare is currently covered by DPAP, there will be no change in coverage.
- All questions about Part D coverage should be directed to Medicare or the PDP.
- Provider questions about DPAP coverage should be directed to DMAP Provider Relations.
- Client questions about DPAP coverage should be directed to DPAP Customer Service.

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Chronic Renal Disease Program (CRDP)

- CRDP clients who have Medicare must enroll with Medicare Part D as a condition of eligibility unless they have creditable coverage. Creditable coverage is drug coverage that is at least as good as the standard Medicare drug coverage. Employers or insurers providing creditable coverage will send a notice telling the client if their coverage is at least as good as Medicare prescription drug coverage.
- CRDP clients who may be eligible for the LIS must apply and show proof of approval or denial as a condition of eligibility. A client with annual income of no more than \$14,355 for one person (\$19,245 for a couple) and with resources that do not exceed \$11,500 for one person (\$23,000 for a couple) should be referred to SSA to apply for the LIS.
- Beginning 11/15/05, a CRDP client will be able to select and enroll with a PDP. CRDP clients will be given time to enroll in Part D and apply for the LIS (if eligible). CRDP will provide prescription drug coverage during this time period. There is no auto-enrollment for the CRDP population unless they are eligible as a QMB/SLMB/QI-1. (For more information, see the QMB/SLMB/QI-1 page). All CRDP clients should be encouraged to select and enroll with a PDP prior to 12/31/05 so that Part D will pay for their prescription drugs instead of CRDP.
- If the client does not enroll in Part D and apply for the LIS (if eligible) by a deadline designated by CRDP, CRDP coverage will terminate.
- CRDP will pay the basic Medicare Part D premium (if any).
- CRDP will cover any Medicare cost sharing (deductibles, co-payment, or coverage gap) for prescriptions prior authorized by CRDP.
- The client will be responsible for the payment of any Medicare cost sharing (deductibles, co-payment, or coverage gap) for prescriptions that are not prior authorized by CRDP.
- CRDP may cover some of the drugs which are excluded from Part D. These include over-the-counter (OTC) drugs, benzodiazepines, and barbiturates. These drugs must be prior authorized. If the prescription is prior authorized, CRDP will pay for the drug.
- CRDP clients who are also QMB/SLMB/QI-1s do not have to wait for an open enrollment period to change their PDP. They can change plans at any time and the change will be effective the following month. This is done through their PDP. Other CRDP clients can only change their PDP during an annual open enrollment period unless they qualify for a special enrollment period.
- All questions about Part D coverage should be directed to Medicare or the PDP.
- Provider or client questions about CRDP coverage and services should be directed to the Chronic Renal Disease Program.
- Client questions about how to enroll in Part D and the LIS for CRDP should be directed to DPAP Customer Service.