pro seniors
Advocacy. Empowerment. Justice.

Medicare Part D & Extra Help

What Is Medicare Part D & Extra Help?

Part D is Medicare's prescription drug insurance program. The cost for a Part D insurance plan includes an annual deductible, a monthly premium and prescription co-pays. Some people with limited resources and income may be able to get Extra Help to pay for these costs. The Extra Help is estimated to be worth about $5,000 per year.

How Do I Enroll In Medicare Part D?

To enroll in Part D, you join a Medicare Prescription Drug Plan (PDP). Unlike Medicare Parts A and B, private for-profit insurance companies run Medicare PDPs. To enroll, you must apply to one of these private companies.

Will I Have To Leave The Traditional Medicare Program To Enroll In A Medicare Prescription Drug Plan?

No. You may enroll in any PDP offered in Ohio and remain in traditional Medicare Part A and B. You can also choose to leave traditional Medicare by enrolling a Medicare Advantage Plan (MAP) (also referred to as a managed care plan) that also includes prescription drug coverage (MA-PD). If you do so, the Medicare program pays the for-profit managed care company a monthly fee to provide all your medical care, including its prescription drug benefit. You must use the MAP's drug benefit, so it is crucial that you make sure your medicines are on the MAP's drug formulary, before you enroll in that plan.

Some MAPs may have low monthly premiums but may also have out of pocket costs much greater than the Medicare Part A and B programs. Unlike Medicare Part A & B, there is no "gap" insurance you can buy to cover these costs. Many MAPs require that you use only the doctors and hospitals in the plan's network in order for the MAP to pay for your care.

Will All My Prescription Drugs Be Covered By Every Plan?

No. PDPs and MAPs are not required to cover any particular medication. Each plan has its own "formulary", its list of covered medications. Before enrolling in a plan check whether:

a) The plan's formulary includes all your medications;

b) The plan does not have any additional conditions for your medications, such as a prior authorization requirement or another limit on a "formulary" drug that requires additional plan approval;

c) The plan's total cost for all your medications is among the lowest; and

d) Your local pharmacy is part of the plan's network or a mail order option is offered.

If your medication is not on a plan's formulary, then neither the plan nor Medicare will pay for it. Though you can request that the plan cover your medicine as an exception to its formulary, in order to have a chance to be successful, your physician should support your request. Use Medicare's Plan Finder for a list of plans offered in your zip code.

I Am A "Dual Eligible" Because I Have Both Medicaid & Medicare. Should I Enroll In Medicare Part D?

Yes. Medicaid will not pay for drugs that are eligible to be covered by Medicare. Medicare will pay for your medications, but only if you are enrolled in a PDP or a MAP with a drug benefit. This applies to all dual eligibles – those in nursing homes and those living in the community.

When you become a dual eligible, Medicare will automatically enroll you in a PDP, but that PDP may not cover all your medications. To correct this problem, you have a special right to switch to a different PDP after automatic enrollment.

I Don't Take Any Medications. Do I Still Have To Join A Medicare PDP?

No, joining a PDP is voluntary, but there are several good reasons to join. If you do not enroll in Part D when you turn 65, but decide to enroll later, if you are not eligible for a special enrollment period, you are only permitted to enroll between October 15th and December 7th each year with coverage beginning on January 1st. This means that if you had an illness that required you to start using medication(s), you would have to wait until the next enrollment period to get drug coverage.

In addition, if you do not join when first eligible for Medicare, you do not have retiree or other prescription drug coverage as good as the Medicare drug benefit, and you later enroll, you will be assessed a lifetime penalty. The penalty is an additional 1% per month for each month you delayed your enrollment. (20-month delay = 20% penalty added on to each month's premium). So, a better choice may be to choose a PDP with a low monthly premium at age 65 to avoid paying a penalty later.

Is Financial Help Available For People Who Enroll In A Medicare Drug Plan?

Yes. Medicare calls this program "Extra Help" and it helps pay for the PDP cost. The amount of Extra Help varies with income, the number of people supported by that income and the value of any liquid assets. The home you live in, your home furnishings, your car(s), jewelry, and even $1,500 per person in cash, if you plan to use it solely for your burial expenses, will not count. The value of all other bank accounts, stocks, bonds, cash and IRAs will be counted. To qualify, beneficiaries must have assets less than $16,660 for individuals or $32,240 for couples and have an income at or below 150% of the Federal Poverty Level (FPL).

Medicare beneficiaries who receive Medicaid, SSI or participate in most Medicare Savings Programs are automatically enrolled in Extra Help. See Pro Seniors' *Medicare Premium Assistance Programs* fact sheet for more details. All other Medicare beneficiaries must apply for Extra Help separately.

Many Extra Help beneficiaries pay no monthly premium or annual deductible and a 15% prescription co-pay until Part D catastrophic coverage kicks in after $7,400 in out-of-pocket expenses. Under Part D catastrophic coverage, the beneficiary pays $4.30 for generic and $10.35 for brand name prescriptions. There are no coverage gaps.

Monthly income at or below:

135% FPL	One Person	Couple
Max Income	$1,660	$ 2,239
Max Assets	$10,590	$16,630

You pay: No annual deductible; no monthly premium; co-pay $4.30 for generics, $9.20 for brand name.

135% FPL	One Person	Couple
Max Income	$ 1,660	$2,239
Max Assets	$16,660	$33,240

You pay: $104 annual deductible; no monthly premium; co-pay 15%.

140% FPL	One Person	Couple
Max Income	$ 1,721	$ 2,320
Max Assets	$16,604	$33,240

You pay: $104 annual deductible; 25% monthly premium; co-pay 15%.

145% FPL	One Person	Couple
Max Income	$ 1,781	$ 2,402
Max Assets	$16,604	$ 32,240

You pay: $104 annual deductible; 50% monthly premium; co-pay 15%.

<150% FPL	One Person	Couple
Max Income	$ 1,843	$ 2,485
Max Assets	$16,660	$32,240

You pay: $104 annual deductible; 75% monthly premium; co-pay 15%.

How Do I Apply For Extra Help?

Apply directly to Social Security at 1-800-772-1213 or online at their website.

Pro Seniors helps older Ohioans solve legal and long-term care problems and fight Medicare fraud. Our Legal Helpline provides free legal information and advice for Ohio residents aged 60 and older.

This fact sheet provides general information, not legal advice. The law is complex and changes frequently. Before you apply this information to a particular situation, call Pro Seniors' free Legal Helpline or consult an attorney in elder law.

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