



*Helping Older Persons With  
Legal & Long-Term Care  
Problems*

## ***The Medicare Rx Prescription Drug Program***

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### ***1. What Is The Medicare Rx Prescription Drug Program That Begins In 2006?***

Medicare Rx, also known as Medicare Part D, is a prescription drug insurance program for people on Medicare. To join Medicare Rx, there will be a monthly premium of about \$37 and other costs such as deductibles and co-payments. Your benefit is that Medicare will pay up to \$1,500 of the first \$2,250 of your annual costs for covered prescription medications. Medicare will pay more if you qualify for Medicare's low-income subsidy. The Medicare Rx Prescription Drug Plans will be provided by private, for-profit companies. You must compare the plans offered by these companies and decide which one is best for you based on which prescription medications you take and whether your pharmacy participates in that Prescription Drug Plan. Not all Prescription Drug Plans will cover the same medications; nor will the medications cost the same under each plan.

### ***2. How Do I Enroll In Medicare Rx?***

You must apply directly to one of several private companies qualified by Medicare as an Ohio Medicare Rx Prescription Drug Plan provider. All Prescription Drug Plans offered in Ohio must cover the entire State. But some Prescription Drug Plans will be national in scope and if you spend some time each year outside of Ohio, you should consider a national plan.

### ***3. Do I Have To Enroll In Medicare Rx?***

No. All persons on Medicare can choose not to enroll in Medicare Rx. If you decide to join, you must enroll between November 15, 2005 and May 15, 2006. If you do not join by May 15, 2006, and you do not have health insurance with prescription drug coverage as good or better than the Medicare Rx benefit, you will be assessed a lifetime premium penalty of 1% per month for each month your enrollment was delayed after May 15, 2006. For example, if you delayed enrolling for 18 months after May 15, 2006, you will have an 18% penalty added on to each month's \$37 premium for the rest of your life.

If you are on Medicare and Medicaid, you will want to enroll in Medicare Rx before January 1, 2006, because Medicaid will no longer pay for your prescriptions after December 31, 2005. If you have Medicaid and Medicare and do not pick a Medicare Rx Prescription Drug Plan by December 31, 2005, Medicare will automatically enroll you in one. But you will have the right to switch to a different plan if you wish.

Medicare beneficiaries, who are notified that their retiree or other prescription drug coverage is equal to or better than Medicare Rx drug coverage, can keep that coverage without being assessed a penalty for not enrolling in a Medicare Rx Prescription Drug Plan. If your current health insurance helps pay for prescription drugs, it must tell you by November 15<sup>th</sup> whether its prescription drug coverage will be as good or better than Medicare Rx, so you can decide whether to keep what you have or enroll in Medicare Rx.

#### ***4. Will All My Prescription Drugs Be Covered By Medicare Rx?***

Not necessarily. Congress has given the private, for-profit companies providing the Medicare Rx benefit a great deal of discretion as to which medications they will cover.

Each Prescription Drug Plan will have its own list of covered medications. For example, there may be five commonly prescribed medications for high blood pressure, but some Prescription Drug Plans may only cover three of the five. If your medication is not on the plan's list of covered medications, then Medicare Rx will not help pay for that prescription; nor will the cost of that prescription count towards your Medicare Rx deductible or co-payment requirements. Your best option is to choose a Prescription Drug Plan that covers all your medications at the cheapest price.

#### ***5. If My Medications Are On My Prescription Drug Plan's List, What Costs Will Medicare Rx Pay?***

Medicare Rx will not help you pay for the first \$250 you spend on covered prescription medications. This is your annual deductible. But Medicare Rx will pay 75% of the next \$2,000 in covered prescriptions. For example, if after you pay your first \$250 for prescriptions, your next prescription costs \$100, you pay \$25 (your co-payment) and your Prescription Drug Plan pays \$75. Your cost for each prescription from this point forward will be 25% of the total cost.

However when the total cost of all your prescriptions reaches \$2,250, Medicare Rx will no longer help pay for your medications. At this point, you will have to pay the entire cost of your prescriptions until you have paid a total of \$3,600 out of your own pocket for medications.

This \$3,600, called your "out-of-pocket limit," includes your \$250 annual deductible, your 25% co-payments and everything else you pay for prescriptions. When you have spent \$3,600, you will have reached what Medicare Rx calls "catastrophic coverage" and Medicare Rx will begin paying 95% of the cost of your new prescriptions through the end of the year.

## ***6. Will I Have To Leave The Traditional Medicare Program To Enroll In Medicare Rx?***

No. Congress has mandated that there will be at least two Prescription Drug Plan providers available to all Medicare beneficiaries. One of these companies must be a Stand-Alone Prescription Drug Plan provider that can be selected by people wanting to stay in the traditional Medicare program. But some Medicare Rx Prescription Drug Plan providers will be for-profit, managed care organizations. In order to obtain prescriptions through the Medicare Rx Prescription Drug Plan offered by these companies, you would have to leave the traditional Medicare program and receive all your health care from the managed care company.

## ***7. Is Financial Help Available For Deductibles And Other Medicare Rx Costs?***

Yes. There is help for people with incomes at or below 150% of the Federal Poverty Level who have limited assets. The help will be on a sliding scale, meaning those with the lowest income will get the most help.

If a person has monthly income of 150% of the Federal Poverty Level, \$1,197 or less (couple \$1,604) and liquid assets of less than \$10,000 (\$20,000 couple), she will at most have to pay a 15% co-payment per prescription and not have an out-of-pocket limit. People with lower incomes, such as those on Medicaid, SSI or in a Medicare cost-sharing program, like QMB or SLMB, will pay no premiums or deductibles, nor will they have an out-of-pocket limit. But they will have to pay \$1 for each generic and \$3 for each brand name prescription.

## ***8. How Do I Apply For Medicare Rx's Low-Income Subsidy Program?***

You can apply for Medicare Rx's low-income subsidy at your local [Social Security Office](#), by calling SSA at 1-800-772-1213, or apply on-line at <https://s044a90.ssa.gov/apps6a/i1020/main.html>. Remember, if you qualify for the subsidy, you will still need to choose a Prescription Drug Plan provider and apply directly to that company.

## ***9. Is There Someone That Can Help Me Choose My Medicare Rx Prescription Drug Plan?***

Yes. Pro Seniors is here to help any Ohioan age 60 or over with the Medicare Rx Program. For free information regarding this or any other legal or long-term care problem, call Pro Seniors' Legal Hotline for Older Ohioans at: 1-800-488-6070. Help with the Medicare Rx Program is also available from Medicare at 1-800-MEDICARE (1-800-633-4227) or on-line at: [www.medicare.gov](http://www.medicare.gov).

Revised 2005

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Pro Seniors' Legal Hotline for Older Ohioans provides free legal information and advice by toll-free telephone to all residents of Ohio age 60 or older. If you have a concern that cannot be resolved over the phone, then the hotline will try to match you with an attorney who will handle your problem at a fee you can afford.

In southwest Ohio, Pro Seniors' staff attorneys and long-term care ombudsmen handle matters that private attorneys do not, such as nursing facility, adult care facility, home care, Medicare, Medicaid, Social Security, protective services, insurance and landlord/tenant problems.

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

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