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# **ALL ABOUT MEDICARE – 2021**

## **Medicare Prescription Drug Plans**

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# What are Medicare Prescription Drug Plans?



## Medicare Prescription Drug Plans (PDPs)

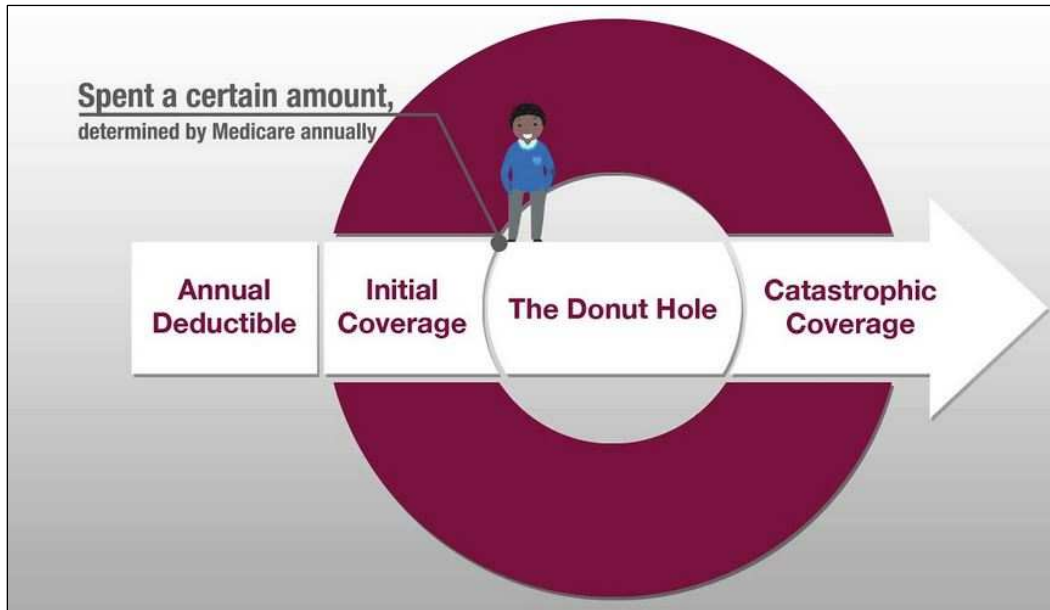
- **Medicare Prescription Drug Plans (Medicare Part D)** cover, with some exceptions, most prescription drugs, both generic and brand names.
- PDP coverage is not standardized. All plans should provide a **standard level of coverage** set by Medicare, but may differ from each other both in **price** and in the **list of covered drugs (Formulary)**.
- Plans differ in **premiums, deductibles and copayments**.
- The plan is free to choose covered drugs, but each plan must have at least **TWO** drugs in each category.
- There are **two types** of Medicare Prescription Drug Plans:
  - ✚ **Standalone Prescription Drug Plans (PDPs)** for people with **Original Medicare**. These plans are offered by private insurance companies approved by Medicare.
  - ✚ **Medicare Advantage Plans with Prescription Drug Coverage (MAPD)**.

# Who is eligible for the Medicare Prescription Drug Plan?

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- You must have Medicare **Part A** OR Medicare **Part B**
- You must live in a geographic area with plan coverage

# Four Stages in Medicare Part D Coverage



## Stage 1

**Annual Deductible Stage** – you pay 100% before the plan begins to pay its share for the prescription drugs

- The amount you will have to pay is known as **deductible**.
- Standard Part D deductible - \$445.00.
- Some plans do not have deductibles.

## Stage 2

**Initial Coverage Stage** - you and your plan, pay for prescription drugs

- You pay **copay** or **coinsurance**, and the plan pays the rest. Typical coinsurance - 25%, i.e. you pay 25% of the cost of prescription drugs.
- This stage continues until the full cost of the drugs (paid by you and the insurance company) reaches \$4,130 (2021). This amount varies annually.

## Stage 3

**Coverage Gap or Donut Hole Stage** - begins after the total cost of the drugs reaches \$4,130 and ends when your out-of-pocket expenses reaches \$6,550 (2021).

- You will pay 25% for the cost of generic medicines and 25% for brand names.
- Out-of-pocket expenses do not include monthly premiums, but includes **deductibles** and **coinsurance / copayments**.

## Stage 4

**Catastrophic Coverage Stage** – begins when your out-of-pocket expenses reaches \$6,550 (2021).

- You pay the largest of 5% coinsurance, or a small copayment - \$3.70 for generic drugs and \$9.20 for brand names.

# Do you need to register for a Prescription Drug Plan (Part D)?

- **Always enroll in a Part D plan** if you do not have other *Creditable Prescription Drug coverage*.
- If you did not register with Part D when you turned 65 and have been without creditable coverage for **63 days or more**, you will have to pay a penalty if you decide to join Part D. later.



- **Penalty** - 1% of the average monthly premium for each month of delay. You will have constantly while you have Part D.

# When to register with Medicare Prescription Drug Plan?



You can only sign up for a plan or change one Medicare Prescription Drug plan to another **only** during one of the **Medicare Part D registration periods**.

People with **Medicare and Medicaid**, or people who have the right to **Extra Help** are exception to this rule. They can change plans once a quarter.

## Initial Enrollment Period

- **Initial Enrollment Period or IEP** — A 7-month period that begins 3 months before you turn 65, or, in the event of a disability, 3 months before your 25th month of disability. It is used to register with Medicare Part D, and includes 7 months adjacent to the 65th anniversary, i.e. 3 months before, month of the 65th anniversary, and 3 months after.

## Open Enrollment Period or Annual Election Period (AEP)

- **The Open Enrollment Period or Annual Election Period (AEP)** occurs annually between October 15 and December 7. Coverage begins on January 1 of next year. At this time, you can add the Prescription Drug plan, change it to another plan, or cancel it.

You can register several times during the AEP; the last registration period becomes decisive.



## Special Enrollment Period (SEP)

- **The Special Enrollment Period or SEP** allows you to change your coverage **outside** of the normal Enrollment Periods.

SEP Examples:

- you left the geographic coverage area of the plan
- you have lost health insurance from your employer
- you are entitled to an Extra Help program
- you have Medicare and Medicaid

## Medicare Advantage Open Enrollment Period (MA OEP)

- **The Medicare Advantage Open Enrollment Period (MA OEP)** is open for people with the Medicare Advantage Plan. It occurs annually between January 1 and March 14, and allows you to change your Medicare Advantage plan to another Medicare Advantage plan or **return to Original Medicare**, supplementing it with a **standalone Medicare Prescription Drug plan**.

# Do you need to change your Prescription Drug Plan?

Once you have chosen your medication plan, most people do not change it in subsequent years. And this is a **serious mistake**. It is very likely that the plan that once was the best for you is no longer a plan because of the high prices for medicines in the plan.

The following questions will help you choose your Prescription Drug plan:

- What is the cost of the plan (**premium, deductibles and copayments**)?
- Are all your medicines in a plan's **formulary**? At what **tier** are they?
- Is your pharmacy on the plan network? Is it the preferred or standard pharmacy?
- Does your plan include mail ordering for drugs? What is its cost compared to retail?

**The difference in total cost** between different PDP plans and even between different pharmacies for the same plan can be **HUGE** - up to several thousand dollars a year.

Therefore, **take your plan seriously and always review it during the Annual Election Period (AEP)**.

# Extra Help Program (LIS)



**Medicare Extra Help (or Low Income Subsidy (LIS))** is a federal program that helps reduce your drug costs.

You are automatically qualified for Extra Help

- If you have full Medicaid
- If you are a member of one of the Medicare Savings Programs (MSP)
- If you get Supplemental Security Income (SSI)

If you are NOT automatically qualified, then in order to receive Extra Help, you must meet certain requirements for your **income and resources**.

## Full Extra Help

- **Income:** Income must be less than 135% of the Federal Poverty Level (FPL) - below \$1,456 (for one) / \$1,960 (for a couple) per month.
- **Resources:** Resources should be less than \$9,360 (for one) / \$14,800 (for a couple).
- **Benefits**
  - No monthly premium. No annual deductible.
  - Copayments: \$3.70 for generic drugs and \$9.20 for brand names
  - No Coverage Gap. There is no penalty for delaying registration of a plan.

## Partial Extra Help

- **Income:** Income must be less than 150% of the Federal Poverty Level (FPL) - below \$1,615 (for one) / \$2,175 (for a couple) per month.
- **Resources:** Resources should be less than \$14,610 (for one) / \$29,160 (for a couple).
- **Benefits:**
  - ✚ 25% to 75% of your monthly premium
  - ✚ Up to \$92.00 towards your annual deductible
  - ✚ You pay the **lowest of 15% coinsurance or plan's copay**
  - ✚ No Coverage Gap. There is no penalty for delaying registration of a plan.

## How to get Extra Help?

- To get Extra Help, contact the Social Security office.

## Extra Help and Special Enrollment Period (SEP)

- With Extra Help, you get a **Special Enrollment Period (SEP)** that allows you to add, change, or cancel a Medicare Advantage drug-covered plan or Part D plan. You can change these plans **once a quarter**.

# State Pharmaceutical Assistance Programs (SPAPs)

## State Pharmaceutical Assistance Programs (SPAPs)

You may be qualified for one of the State Pharmaceutical Assistance Programs (SPAPs). With SPAP, you have a **Special Enrollment Period (SEP)** that allows you to add, change, or cancel a Medicare Advantage plan that includes a Prescription Drug coverage or a standalone Prescription Drug plan. **You may do it once a year.**

Let's look at examples of these programs.

### PACE /Pennsylvania

**Income:** Annual income should be below \$14,500 (for one) / \$17,700 (for a couple).

**Benefits:** Help with a monthly premium. Copayments \$6.00 for generic drugs and \$9.00 for brand names. No Coverage Gap.

### PACENET /Pennsylvania

**Income:** Annual income should be below \$27,500 (for one) / \$35,500 (for a couple).

**Benefits:** Help with Part D deductible. Copayments \$8.00 for generic drugs and \$15.00 for brand names. No Coverage Gap.

### PAAD (New Jersey)

**Income:** Annual income should be below \$28,399 (for one) / \$34,817 (for a couple).

**Benefits:** \$0 monthly premium for standard Part D plans with a cost below a certain level (\$35.50 in 2020). Copayments \$5.00 for generic drugs and \$7.00 for brand names. Help with Part D deductible. No Coverage Gap.

## **Senior Gold Prescription Discount Program (New Jersey)**

**Income:** Annual income should be below \$38,399 (for one) / \$44,817 (for a couple)

**Benefits:** \$15 copayment plus 50% of the remaining cost of each medicine; \$ 15 copayment upon reaching the following drug costs: \$2,000 (for one)/ \$3,000 (for a couple).

## **EPIC (New York)**

**Income:** Annual income should be between \$20,000 and \$75,000 (for one) or between \$26,000 and \$100,000 (for a couple).

**Benefits:** EPIC pays monthly premiums of up to \$39.33 for people with income from \$20,001 to \$23,000 (for one) and from \$26,001 to \$29,000 (for a couple). Copayment between \$3 and \$20 depending on the cost of the medicine.



## About Us – Liberty

- **Liberty Medicare** is an independent insurance agency specializing in a **variety of Medicare plans** for people over 65, or for people under 65 who are on a disability. These plans include: **Medicare Supplement Plans (Medigap Plans), Medicare Advantage Plans, and Medicare Prescription Drug Plans.**
- Our services are offered in many US states, including six states in the Central Atlantic (**Pennsylvania, New Jersey, New York, Maryland, Virginia, and Delaware**) and two states in the Midwest (**Illinois and Ohio**).
- Our service for you is **ABSOLUTELY FREE**
  - ✚ For independent insurance agencies like ours, insurance companies provide a commission whenever we register a client with one of their plans. Whether you apply to the insurance company yourself or through us, **your premium will be EXACTLY SAME - the commission is always part of the premium.**
- We represent only **nationally famous insurance companies.**
- While you are our client, we present a LIFE COMMITMENT, including servicing your policy and suggestions for improving it. This is especially important at the end of the year during the **Annual Election Period**, when many senior citizens change their plans for the next year.

- **Medicare** is a complex and confusing subject. Choosing and maintaining a Medicare plan yourself can be very time consuming for you.
  - ✚ Instead of calling numerous insurance companies when you sit endlessly waiting for an answer, and after getting the answer constantly retell the same story, you can dial one number: **877-657-7477**. Our ten years of experience **will help you save time, money, and avoid future surprises and disappointments.**
- **Contact Us:**
  - ✚ **веб-сайт:** [www.libertymedicare.com](http://www.libertymedicare.com)
  - ✚ **e-mail:** [info@libertymedicare.com](mailto:info@libertymedicare.com)
  - ✚ **by phone:** **877.657.7477**