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ALL ABOUT MEDICARE – 2023

Medicare Prescription Drug Plans

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What are Medicare Prescription Drug Plans?



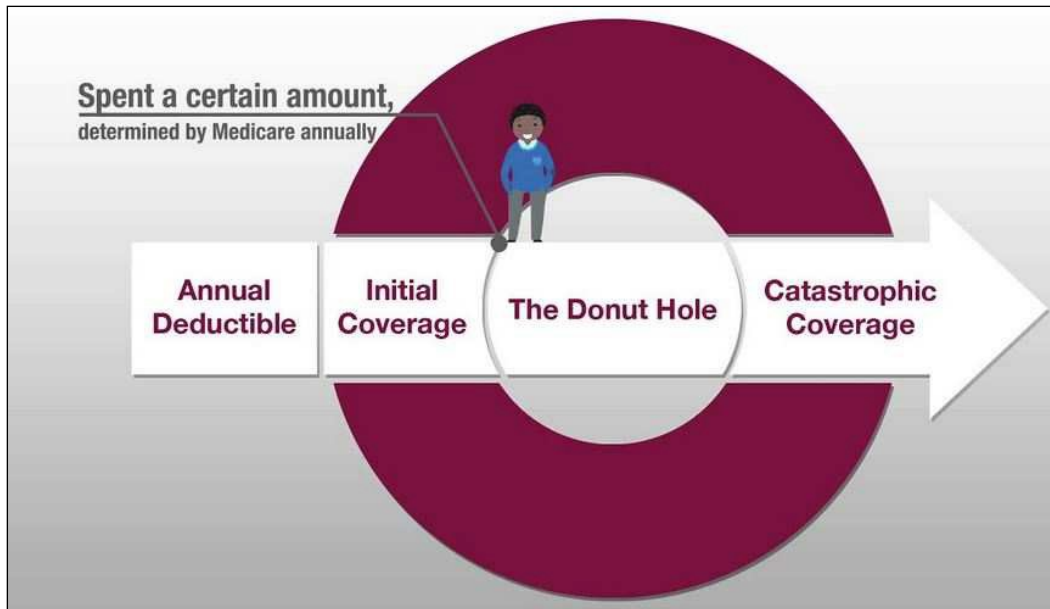
Medicare Prescription Drug Plans (PDPs)

- **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?

- 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 - \$505.00.
- 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 \$4,660 (2023). This amount varies annually.

Stage 3

Coverage Gap or Donut Hole Stage - begins after the total cost of the drugs reaches \$4,660 and ends when your out-of-pocket expenses reaches \$7,400 (2023).

- 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 \$7,400 (2023).

- You pay the largest of 5% coinsurance, or a small copayment - \$4.15 for generic drugs and \$10.35 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 31, 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 \$18,347 (for one) / \$24,719 (for a couple) per year.
- **Resources:** Resources should be less than \$9,900 (for one) / \$15,600 (for a couple).
- **Benefits**
 - No monthly premium. No annual deductible.
 - Copayments: \$4.15 for generic drugs and \$10.35 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 \$20,385 (for one) / \$27,465 (for a couple) per year.
- **Resources:** Resources should be less than \$15,510 (for one) / \$30,950 (for a couple).
- **Benefits:**
 - 25% to 75% of your monthly premium
 - Up to \$104.00 towards your annual deductible
 - You pay the **lowest of 15% coinsurance or plan's copay**
 - Copayments above catastrophic levels: \$4.15 for generic drugs and \$10.35 for brand names.

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** (during the first 3 quarters).

State Pharmaceutical Assistance Programs (SPAPs)

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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 \$33,500 (for one) / \$41,500 (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 \$38,769 (for one) / \$45,270 (for a couple).

Benefits: \$0 monthly premium for standard Part D plans with a cost below a certain level (\$37.07 in 2022). 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 between \$38,769 and \$48,769 (for single) / between \$45,270 and \$55,270 (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 \$42.43 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**), and **Florida**.
- 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
 - ✚ **e-mail:** info@libertymedicare.com
 - ✚ **by phone:** **877.657.7477**