

**Medicare Prescription Drug Coverage**  
**“Information for ConnPACE Recipients”**



**A 2007 Guide Produced by the CHOICES Program**

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On January 1, 2006 Medicare began a new program to pay for prescription drugs for people who have Medicare Part A and/or Part B. The new program is called "Medicare Rx." It is also called "Medicare Part D."

**If you have ConnPACE you must be enrolled in a Medicare prescription drug plan!** This Guide explains how the two programs work together.

This Guide also explains what your benefits will be if you qualify for **Extra Help**, a subsidy that helps people to pay for their Medicare prescription drug costs. It also explains the benefits of having a **Medicare Savings Program** (QMB, SLMB and ALMB) along with your ConnPACE and the Medicare prescription drug program.

**Important!** If you have ConnPACE but you don't have Medicare, you aren't eligible for the new prescription drug program and you don't need to read this Guide. You will continue to get your ConnPACE benefits as you do now.

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**1. What is Medicare prescription drug coverage?**

On January 1 2006, Medicare began a new program to pay for most outpatient prescription drugs, insulin and insulin supplies, and “stop smoking” drugs. It is a program for everyone who has Medicare. It is also known as “Medicare Rx” and “Medicare Part D.”

**If you have Medicare and ConnPACE, you need to enroll in a Medicare prescription drug plan.**

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**2. If I have ConnPACE, why do I need to enroll in a Medicare prescription drug plan?**

You have to enroll so ConnPACE can coordinate with the Medicare program to save the state money. Belonging to a Medicare plan may also give you prescription drug coverage at a lower cost than having ConnPACE alone.

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**3. How is the program administered?**

Medicare doesn’t administer the program directly. Instead, it contracts with private companies to provide the coverage. **If you have ConnPACE, you are probably already enrolled in a prescription drug plan offered by one of these private companies. You may have selected a plan on your own, or ConnPACE may have enrolled you in a plan in May 2005.**

In 2007, there will be 51 free-standing **PDPs** (prescription drug plans) offered in Connecticut. The PDPs just offer prescription drug coverage.

There are 24 **MA-PDs** (Medicare Advantage Prescription Drug Plans). MA-PDs, which may be HMOs or Private Fee For Service plans, offer hospital and medical coverage in addition to prescription drug coverage. MA-PDs are options for people who want to receive all of their health care under a single provider. Some of these plans only offer coverage in certain counties within Connecticut.

There are also 9 Medicare Special Needs Plans (**SNPs**). SNPs are MA-PD plans that have special rules for enrollment. They are all limited to people who have Medicare and Medicaid (“dual eligibles”). Some have other requirements, such as living in an institution or having certain chronic or disabling conditions. Most SNPs only offer coverage in certain counties within Connecticut.

Ask CHOICES for the Enrollment Guide that describes all of the Connecticut PDPs, MA-PDs and SNPs in detail.

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#### **4. What drugs does Medicare cover?**

Medicare covers most outpatient prescription drugs, insulin and insulin supplies, and “stop-smoking” drugs. Medicare-approved plans are required to offer a choice of at least two drugs in each of 146 categories of drugs. Medicare-approved plans are also required to cover substantially all drugs in the following six categories of drugs: anti-depressants, anti-psychotics, anti-convulsants, anti-cancer, immuno-suppressants and HIV/AIDS.

Certain drugs are not covered by any of the Medicare prescription drug plans. These **“excluded” drugs** include: barbiturates, benzodiazepines, drugs exclusively for weight loss or gain, over-the-counter drugs, and drugs that are covered by Medicare Part A or Part B. If you have ConnPACE, the State will continue to pay for these excluded drugs.

Each Medicare prescription drug plan offers its own selection of covered drugs, called a **“formulary.”** Each plan has a different formulary. **Your plan will only pay for Medicare-covered drugs that are on its formulary. Your plan will not pay for excluded drugs!** However, if you have ConnPACE the State of Connecticut will “wrap around” your plan’s coverage to pay for some non-formulary drugs. Read more about the Connecticut wrap-around at Question 5.

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## **5. How do I pay for drugs that my plan doesn’t cover?**

Some drugs are coverable by Medicare but may not be on your plan’s formulary. These are referred to as “non-formulary” drugs. Other drugs are “excluded,” i.e., Medicare won’t pay for them, and so they won’t be on any plan’s formulary. **ConnPACE will continue to pay your excluded drugs, provided they were covered by the State before January 1, 2006.**

In addition, the **State of Connecticut “wraps around”** the Medicare prescription drug program to provide coverage of non-formulary drugs for ConnPACE members. **If you have ConnPACE, the State will pay for your non-formulary drugs, provided these are drugs that the State covered prior to January 1, 2006.** ConnPACE will also pay for formulary drugs that your

plan subjects to “prior authorization” restrictions (meaning your doctor must contact the plan to get permission for the prescription).

However, ConnPACE will not pay for a prescription that your plan denies because of quantity limits or days supply. (For example, if your doctor prescribes 30 pills per month and your plan limits the drug to 14 pills per month.)

To get a drug that your plan has denied because of quantity limits, days supply or step therapy, you will need to ask your plan for an Exception, which is the first step of the Medicare prescription drug program Appeals process. CHOICES can refer you for free help to file an Exception request.

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## **6. How will ConnPACE work together with the Medicare program?**

Here’s a summary of how things will work:

- You’ll still pay your annual \$30 ConnPACE membership fee.
- You won’t have to pay any monthly premiums for Medicare prescription drug coverage. ConnPACE will pay premiums for you.
- The plan that you enroll in will give you a membership card. When you get a prescription filled, present both your plan membership card and ConnPACE card at the pharmacy.
- You can get prescriptions by mail if this feature is available in the plan you select.
- The most you can receive is a 90-day supply of medication at one time. Generally, you need to use the plan’s mail order feature to get this 90-day supply. However, each plan is required to have at least one retail pharmacy where members can get a 90-day supply.

- You'll still have a co-pay. The amount you pay will depend on the amount of your income and assets, but it will never be more than \$16.25. It may even be less – as low as \$2.15/\$5.35 (for generic or brand-name drugs) if you qualify for Extra Help. (Read more about Extra Help at Question 7.
  - The plan you select may have an annual deductible; however, during the time that you are meeting this deductible you'll never pay more than \$16.25 for each prescription you fill.
  - You won't have any gaps in coverage. The most you will pay during the coverage gap (also known as the "donut hole") is \$16.25.
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## **7. What is "Extra Help"?**

Extra Help is a subsidy administered by the Social Security Administration. It helps people to pay for their Medicare prescription drug costs. The amount of Extra Help people receive depends on their income and assets.

To understand the different levels of Extra Help subsidies, ask CHOICES for a copy of the Extra Help Guide. To summarize the value of this benefit:

**With ConnPACE and Extra Help together, you will pay no premiums, and as little as \$2.15/\$5.35 for co-pays. Your out-of-pocket costs will never exceed \$16.25 per prescription, even if your plan has a deductible or a gap in coverage.**

## **8. How can I get extra help?**

If you get help from the state paying for your Medicare Part B premiums through the **Medicare Savings Program** (QMB, SLMB or ALMB), you are automatically eligible for this Extra Help and you don't have to do anything to apply for it.

If you don't have a Medicare Savings Program and you don't already have Extra Help, you are required to apply if your annual income is below \$14,700 (single) or \$19,800 (couple), and your countable assets are below \$10,000 (single) or \$20,000 (couple). (These income amounts will increase in 2007; the new amounts will be announced in early 2007.) **NOTE: If you already have Extra Help you will probably not need to reapply for it in 2007. Ask CHOICES for a copy of the Extra Help Guide to learn about the Extra Help re-deeming and redetermination processes.**

Not all income is counted, so if your income is slightly above these levels, you may still qualify for Extra Help. Similarly, not all assets are countable. For example, the home you live in, your car, funds designated for funeral and burial expenses, and certain life insurance policies are not counted as assets. **IMPORTANT:** *This does NOT mean there is now an asset test for ConnPACE! The asset test is for the Extra Help subsidy, not ConnPACE!*

To apply for Extra Help contact Social Security or CHOICES.

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**9. Can I change plans if I have ConnPACE?**

Yes. You can change plans during the Annual Coordinated Enrollment Period, which is from November 15 – December 31, 2006. Your new coverage will be effective January 1, 2007.

**NOTE:** If you have a Medicare Savings Program you are not limited to the Annual Coordinated Enrollment Period. You can change plans any time.

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**10. How do I change plans?**

To change plans, you just need to enroll in the new plan that you want. You don't need to disenroll from your existing plan! Your enrollment in the new plan will automatically cancel your enrollment in your former plan. **To avoid delays or problems with enrollment, it is strongly advised that you enroll in your new plan before the 8<sup>th</sup> of the month.** For example, if you want to be in your new plan by January 1, 2007, you should enroll by December 8, 2006.

You can enroll in your new plan by calling the plan directly, calling 1-800-MEDICARE, or by calling CHOICES at 1-800-994-9422.

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**11. Do I have to do anything if I am happy with my existing plan?**

Before you decide whether to stay with your existing plan you need to find out if your plan will change in 2007. The way to find out is to study the information your plan sent you at the end of October in its Annual Notice of Change (ANOC).

The ANOC includes information about changes to premium and deductible amounts, changes in "donut hole" coverage, and changes to formularies, including the addition of utilization management tools such as prior authorization, quantity limits and step therapy on any of its formulary

drugs. The ANOC also includes information about changes to tiered co-pay amounts, including the placement of some drugs on a different tier.

**IMPORTANT:** If a plan granted an indefinite Exception in 2006 that it does not intend to continue in 2007, the plan must notify the member of this change. This notice may be included in the ANOC or it may be sent in a separate notice mailed by the end of October.

If you remain satisfied with your plan after reading the ANOC you do not need to do anything. Your membership in the plan will automatically continue into 2007.

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12. **The value of having ConnPACE, Extra Help and a Medicare Savings Program.**

ConnPACE, Extra Help and Medicare Savings Program (MSP) all provide excellent individual benefits to their recipients. However, there many advantages to having these three programs together. If you qualify for ConnPACE, Extra Help and a Medicare Savings Program:

- You will save money on the cost of your drugs. Co-pays may be as low as \$2.15 or \$5.35, but will never exceed \$16.25.
- Your premiums covered in full no matter which plan you join. (People who only have Extra Help or MSP are limited to what are called “benchmark” plans. To learn more about benchmark plans ask CHOICES for the Extra Help Guide.)
- You will be able to get most formulary and excluded drugs that are not covered by your Medicare drug plan.

- You will also be able to change plans at any time if you find one that better meets your needs.

Ask CHOICES for more information about these programs and to see if you would qualify for all three.

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### **13. How will spenddown work with Medicare prescription drug coverage?**

If your income is too high to qualify for Medicaid, you may be on a Medicaid “spenddown.” During this time, your medical expenses, including your prescription drug costs, are subtracted (“spent down”) from your income until your income falls below the allowable Medicaid income limit. The more medical expenses you have, the faster you reach your spenddown requirement and become eligible for full Medicaid benefits. Many people go on ConnPACE when they go into a Medicaid spenddown.

If you have ConnPACE, the amount ConnPACE pays, in addition to the \$16.25 that you pay, both count toward your spenddown requirement. **This has NOT changed with the Medicare prescription drug program!** However, since the Medicare prescription drug plan has lowered ConnPACE’s costs, as well as the amount of your co-pays, you may not spend down as fast as you used to. For more information on and examples of the spenddown process, ask CHOICES for a copy of the Dual Eligibles Guide.

### **14. Important dates in late 2006 and early 2007.**

**Mid-October 2006** – Medicare’s on-line Plan Finder tool, which allows people to identify and compare PDPs and MA-PDs in their area, is updated with 2007 plan information. It also allows people to enroll in a plan on-line. To access the Plan Finder go to: [www.medicare.gov](http://www.medicare.gov).

**End of October 2006** - Plans mail out their Annual Notice of Change (ANOC) informing members of any changes to premiums, formularies, cost-sharing, Extra Help subsidy status, and continuing exceptions for the coverage of non-formulary drugs.

**Late October - early November 2006** - Medicare mails out the “Medicare & You 2007” Handbooks. The handbook provides general information about Medicare, including services covered by Medicare and the rights of Medicare beneficiaries. It also contains detailed information about PDPs, MA-PDs and SNPs available in your geographic area.

**November** - Medicare notifies people who were randomly assigned to a plan in 2006 if they are being reassigned to another benchmark plan in 2007.

**Mid-November 2006** - Employers and unions that provide benefits to Medicare-eligible individuals and dependents must provide members with notice, before November 15, whether the prescription drug coverage they offer is “creditable,” i.e., whether it is at least as good as the Medicare prescription drug program.

**November 15, 2006 – December 31, 2006** - The Annual Coordinated Enrollment Period. Medicare-eligible individuals can enroll in or change their PDP. With the exception of dual eligible individuals and MSP recipients (who can change plans at any time), or other individuals who

qualify for a Special Enrollment Period (SEP), people are locked into their PDP for the rest of the calendar year.

**December 8, 2006** – The date by which people who wish to change plans should enroll in their new plan in order to ensure coverage by January 1, 2006.

**January 1, 2007** - New Medicare prescription coverage begins for 2007.

**January 1, 2007 – March 31, 2007** - The MA Open Enrollment Period. Medicare-eligible individuals can change their MA or MA-PD plan. With the exception of dual eligible individuals and MSP recipients (who can change plans at any time), or other individuals who qualify for a Special Enrollment Period (SEP), people are locked into their MA or MA-PD plans for the rest of the calendar year. People cannot add or drop prescription drug coverage during this period.

**March 31, 2007** – The end of the Special Election period for beneficiaries notified that they no longer qualify for Extra Help.

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**15. Where can I get more information?**

Call CHOICES at **1-800-994-9422** to speak to a counselor at the Area Agency on Aging serving your area of the state. CHOICES counselors are trained and certified to assist you with your Medicare issues and concerns. They can also help with comparing and enrolling in a Medicare prescription drug plan and getting Extra Help to pay for your premiums, deductibles, and co-pays.

You can also get more information from these on-line sources:

- State of CT, Department of Social Services: [www.ct.gov/Medicarerx](http://www.ct.gov/Medicarerx)
- Medicare: [www.medicare.gov](http://www.medicare.gov)
- Social Security: [www.socialsecurity.gov](http://www.socialsecurity.gov)
- Center for Medicare Advocacy: [www.medicareadvocacy.org](http://www.medicareadvocacy.org)
- Department of Social Services, Aging Services Division:  
[www.ct.gov/agingservices](http://www.ct.gov/agingservices)

CHOICES is a program of the State of Connecticut Department of Social Services, Aging Services Division, and serves as Connecticut's State Health Insurance Assistance Program (SHIP), as designated by the Centers for Medicare and Medicaid Services. CHOICES is administered in partnership with the Area Agencies on Aging and the Center for Medicare Advocacy, Inc.



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This publication is not a legal document. The official Medicare provisions are contained in the relevant laws, regulations and rulings.

This information is available in alternative formats. Call 1-800-994-9422. TDD/TTY users call 1-800-842-4524.

## What ConnPACE Recipients will Pay for Medicare Prescription Drug Coverage

What you will pay ...	Here's what people will pay if they're <u>not</u> eligible for Medicaid, ConnPACE or MSP This is sometimes called the "Standard Benefit"	If you have ConnPACE only (no MSP), and...	If you have ConnPACE only (no MSP), and ...	If you have ConnPACE only (no MSP), and ...	If you have ConnPACE only (no MSP), and...	If you have ConnPACE and MSP
Income Level	over \$14,700/\$19,800	over \$14,700/\$19,800	below \$14,700/\$19,800	below \$13,230/\$17,820	below \$13,230/\$17,820	N/A
Asset Level	over \$10,000/\$20,000	over \$10,000/\$20,000	below \$10,000/20,000	below \$10,000/20,000	below \$6,000/\$9,000	N/A
Extra Help?	NO	NO	YES	YES	YES	YES
Premium	as charged (average = \$27.35)	0	0	0	0	0
Deductible	\$0 – 265/year	\$265 (but you only pay \$16.25 max. per Rx until deductible is met)	\$53 (but you only pay \$16.25 max. per Rx until deductible is met)	\$53 (but you only pay \$16.25 max. per Rx until deductible is met)	0	0
Co-pay during initial benefit period	25% of prescription costs	25% of Rx cost*, NOT TO EXCEED \$16.25 <small>* most plans have tiered co-pays instead of 25%</small>	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2.15/5.35	\$2.15/5.35
Co-pay during the "coverage gap"	100% of prescription costs	\$16.25 per Rx max.	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2.15/5.35	\$2.15/5.35
Co-pay during catastrophic benefit period	\$2.15/\$5.35 or 5%, whichever is greater	\$2.15/5.35, OR 5%, whichever is greater, NOT TO EXCEED \$16.25	\$2.15/5.35	\$2.15/5.35	0	0

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