

# Medicare Prescription Drug Coverage “Information for ConnPACE Recipients”



## A Question and Answer Guide Produced by the CHOICES Program

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On January 1, 2006 Medicare started a new program to pay for prescription drugs for people who have Medicare Part A or Part B.

You are required to enroll in a Medicare prescription drug plan in order to remain eligible for ConnPACE. Please read this information to understand how the new program affects you.

**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?** Medicare prescription drug coverage is a new program for people on Medicare. It pays for outpatient prescription drugs, insulin and insulin supplies and “stop smoking” drugs. It started on January 1, 2006 and is also known as “Medicare Part D” and “Medicare Rx.” **If you have Medicare and ConnPACE, you need to enroll in a Medicare prescription drug plan or wait for ConnPACE to assist you with enrollment.** You won't lose ConnPACE, but the way you get your prescription drugs will change in 2006.

**2. If I have ConnPACE, why do I need to enroll in a Medicare prescription drug plan?** You have to enroll in a Medicare prescription drug plan in order to keep your ConnPACE benefits. This is so ConnPACE can coordinate with the new Medicare program to save the state money. It may also give you prescription drug coverage at a lower cost than you pay now. If you do not enroll in a plan on your own ConnPACE will select one for you. **See question # 12 for more information on the enrollment process.**

**3. Will I get my prescription drugs directly from Medicare?** No, Medicare doesn't administer the program directly. Instead, it contracts with private companies to provide the coverage. In Connecticut, there are 17 stand-alone Medicare Prescription Drug Plans (PDPs), and four Medicare Advantage plans (HMO or PPO), that offer coverage. Each of these companies, in turn, offers several different plans with various levels of coverage and costs. If you have not already, you will need to enroll in one of these plans to have Medicare prescription drug coverage. If you do not enroll in a plan on your own ConnPACE will select a plan for you. **See question #12 for more information on the enrollment process.**

**4. What drugs will Medicare cover?** Medicare will pay for most outpatient prescription drugs, insulin and insulin supplies, and "stop smoking" medications. Each Medicare-approved prescription drug plan will offer its own selection of covered drugs, called a "formulary." Formularies will vary from plan to plan. Before deciding on a plan you should carefully review its formulary to be sure that it covers all of the medications that you take.

Some drugs are excluded, i.e., Medicare won't cover them so they won't be on most plan formularies. These include barbiturates, benzodiazepines, drugs for weight loss or gain, over-the-counter drugs, and drugs that are covered by Medicare Part A or Part B. However, ConnPACE will continue to pay for medications that are not covered by Medicare Rx. In most cases, ConnPACE will also cover drugs that are not on your plan's formulary. Your pharmacist will have to contact your Doctor to start a special "exceptions" process that will allow ConnPACE to continue paying for your non-covered drugs. You should not have to take any action.

**5. Are my ConnPACE benefits going to change because I enroll in the new Medicare prescription drug program?** Yes, you will have some changes but most of these will save you money. Here's a summary of how some things will change and others will stay the same:

- The plan that you enroll in will give you a member card that you will use at the pharmacy, just like you use your ConnPACE card now. You may also be able to get prescriptions by mail if this feature is available in the plan you select.

- You'll still pay your annual \$30 ConnPACE membership fee.
- You won't have to pay any monthly premiums for Medicare prescription drug coverage.
- 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.
- You'll still be able to get all of the drugs you take now but may have to go through an exceptions process to do so if the drugs are not covered by your Medicare Rx plan.
- 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/\$5 (for generic or brand-name drugs).

**6. I've been hearing about getting Extra Help to pay for Medicare prescription drug coverage. What does this mean?** Like all insurance, there are costs associated with the new Medicare prescription drug program. But, people with limited income and assets may qualify for Extra Help to pay for Medicare prescription drug premiums, deductibles and co-pays. **People who have both ConnPACE and Extra Help will save the most money and have the best coverage.**

If your countable income is below \$14,355 (single) or \$19,245 (couple), and your countable assets are below \$10,000 (single) or \$20,000 (couple), you qualify for Extra Help. **With ConnPACE and Extra Help together, you will pay no premiums, and as little as \$2/\$5 for co-pays. Your out-of-pocket costs will never exceed \$16.25 per prescription, even if you have a deductible.**

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!*

Like the Medicare prescription drug benefit itself, the Extra Help subsidy will save you money. It will also save money for the State of Connecticut. For this reason, ConnPACE may have asked you to complete an application for Extra Help *if* your income (according to ConnPACE records) is below the Extra Help income limit. Both Medicare and ConnPACE mailed Extra Help applications to many people during the summer of 2005. If you received an application but haven't filled it out yet, please do so right away. If you lost or discarded the Extra Help application, you can get another one from ConnPACE, Social Security or CHOICES.

## 7. How can I get Extra Help?

- If you are on ConnPACE and 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. (You probably already received a notice from Medicare telling you that you qualify for Extra Help.)
- If you're on ConnPACE and you don't have QMB, SLMB or ALMB, you'll need to apply for the Extra Help. During the summer of 2005, you may have received Extra Help applications in the mail from both ConnPACE and the Social Security Administration (SSA). If you haven't done so yet, be sure to fill out the application and mail it back to SSA in the envelope provided.

The application for Extra Help is fast and easy to complete. Please do NOT send any attachments with your application. If Social Security needs more information, such as bank statements or other verifications, they will contact you. In most cases, this will not be necessary. Social Security will mail you a receipt acknowledging your application. They will also send you a letter telling you whether you qualify for Extra Help.

If you prefer, you can apply for Extra Help on-line. Go to [www.socialsecurity.gov](http://www.socialsecurity.gov)

**8. What will I pay for Medicare prescription drug coverage?** If you qualify for Extra Help you'll have substantial savings on your prescription drug costs. Even if you don't qualify for Extra Help, as a ConnPACE member you will still have savings on your prescription drug costs.

**9. How do I select a plan?** There are many plans to choose from in Connecticut, and they vary in costs and benefits. **If you are on ConnPACE you may enroll in any of the Medicare Rx plans offered in Connecticut, even if you are on a Medicare Savings Program (QMB, SLMB, ALMB/QI).** You need to compare these plans to each other and ask:

- Are the drugs you take now covered by the plan?
- How many units can you receive at one time?
- Do you live in the plan's service delivery area?
- Is the plan accepted at the pharmacy you use?
- What are the costs?

If you spend part of the year in another state, you may want to consider one of the national plans with a wider preferred provider network.

NOTE: If you do not enroll in a plan on your own ConnPACE will select one for you. You will receive a letter from ConnPACE during 2006 letting you know which plan ConnPACE has selected for you. You will have the option of doing nothing and letting ConnPACE enroll you into that plan or you can tell ConnPACE that you would like to select and enroll into a different plan. You **MUST** be in a Medicare Rx plan in order to stay on ConnPACE. **See question #12 for more details on the enrollment process.**

**10. How do I find out who the plans are in Connecticut?** You can find this out in several ways:

- Look at the "Medicare & You 2006" handbook that you got in the mail in October 2005. It lists all of the plans in your area.
- Go on-line to [www.medicare.gov](http://www.medicare.gov) and log in to Medicare's "Plan Finder" tool. It lists all the plans in your area. You can also compare plans and see if they cover the drugs that you take.
- Call CHOICES at 1-800-994-9422 to speak with a CHOICES counselor and request the CHOICES Medicare Rx Enrollment Guide.

**11. When can I enroll in a plan?** Open enrollment is November 15, 2005 – May 15, 2006. If you enrolled before December 31, 2005, your coverage began January 1, 2006. If you enroll on or after January 1, your coverage will begin on the first day of the month following your month of enrollment.

You can change plans at certain times of the year if you find one that better meets your needs. Ask your CHOICES counselor for more information.

**12. Will ConnPACE select and enroll me into a Medicare Rx plan?** Yes. If you do not select and enroll in a Medicare Rx plan on your own ConnPACE will select one for you. ConnPACE will enroll recipients in groups between now and May 15, 2006. ConnPACE recipients will be enrolled in the following order:

**Group 1 - Individuals with both ConnPACE and a Medicare Savings Program (QMB,SLMB,ALMB/QI)**

**Group 2 – Individuals with both ConnPACE and the Extra Help who are not on a Medicare Savings Program**

**Group 3 – All other ConnPACE recipients who are not receiving the Extra Help or on a Medicare Savings Program**

Because ConnPACE is enrolling people into the Medicare prescription drug program on an ongoing basis you may not hear from ConnPACE until the spring of 2006. Don't worry. ConnPACE will continue as usual for you until you are enrolled into a Medicare Rx plan.

ConnPACE will send you a letter in the mail advising you of the three Medicare Rx plans which most appropriately meet your needs. You will have a certain amount of time to let ConnPACE know which of the selected plans you would like to enroll into. . If you do nothing ConnPACE will enroll you into the most appropriate, cost efficient plan named in your letter.

For more information on the ConnPACE auto-enrollment process call ConnPACE at 1-800-423-5026 or a CHOICES counselor at 1-800-994-9422.

**13. How will spenddown work when I have 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.

If you have ConnPACE, the amount ConnPACE pays, in addition to the \$16.25 that you pay, both count toward your spenddown requirement. *This will not change when the new program begins!*

The amount the state contributes toward your prescription drugs (through the ConnPACE program) will still be applied toward your spenddown. But, since Medicare will begin to assume some of your prescription drug costs when you enroll into a Medicare Rx plan (for some people this started on January 1, 2006) the amount that the state (ConnPACE) pays will actually be less than it is now. This means you may not spend down as fast as you used to. *However, this also means you’ll probably keep more of your own money to spend on other things.*

#### **14. What Happens Next?**

- In October 2005, Medicare sent you a handbook entitled “Medicare and You 2006.” This booklet tells you more about how the new program works and gives you the names of plans in your area. It also tells you how to select and enroll in a plan.
- Open enrollment for the Medicare prescription drug program started November 15, 2005. You can enroll in the plan of your choice now through May 15, 2006. The sooner you enroll the sooner your coverage will begin.
- If you enrolled on or before December 31, 2005 your new coverage began on January 1, 2006. If you enroll on or after January 1, 2006 your coverage will begin on the first day of the following month.

- You should have received a letter from ConnPACE in December, 2005 providing you with general information on how ConnPACE will work after January 1, 2006 and explaining the auto-enrollment process. If you did not receive this letter call ConnPACE at 1-800-423-5026.
- Between now and May 15, 2006 you may receive another letter from ConnPACE informing you of the Medicare Rx plan that the state (ConnPACE) selected for you. If you want to enroll into a different plan you will need to follow the directions provided in the letter. If you do nothing you will be enrolled into the plan selected for you.

**15. Where can I get more information?** You may call ConnPACE directly at 1-800-423-5026 or 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:

- **ConnPACE:** [www.Connpace.com](http://www.Connpace.com)
- **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.ctelderlyservices.state.ct.us](http://www.ctelderlyservices.state.ct.us)

*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.*



LOCAL HELP FOR PEOPLE WITH MEDICARE



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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 package"	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 \$14,355/\$19,245	over \$14,355/\$19,245	below \$14,335/\$19,245	below \$12,919/\$17,320	below \$12,919/\$17,320	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	\$37	0	0	0	0	0
Deductible	\$0 – 250/year	\$250 (but you only pay \$16.25 max. per Rx until deductible is met)	\$50 (but you only pay \$16.25 max. per Rx until deductible is met)	\$50 (but you only pay \$16.25 max. per Rx until deductible is met)	0	0
Co-pay during initial benefit period	25%	25% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2/5	\$2/5
Co-pay during the "coverage gap"	100%	\$16.25 per Rx max.	15% of Rx cost, NOT TO EXCEED \$16.25	15% of Rx cost, NOT TO EXCEED \$16.25	\$2/5	\$2/5
Co-pay during catastrophic benefit period	\$2/\$5 or 5%, whichever is greater	\$2/5, OR 5%, whichever is greater, NOT TO EXCEED \$16.25 per Rx	\$2/5	\$2/5	0	0