

MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions

Q: So May 15 has come and gone for initial enrollment into a Medicare Prescription Drug Plan. How many Medicare beneficiaries now have prescription drug coverage?

A: The Centers for Medicare & Medicaid Services, CMS, saw a last minute surge with more than 2 million people signed up for a Medicare prescription drug coverage plan since May 1. As a result, about 38.2 million Medicare beneficiaries now have drug coverage – that's over 90 percent of all beneficiaries. The surge in enrollment in Medicare's prescription drug program, which included many beneficiaries with good health status, is helping keep the cost of drug coverage down.

Not only did large numbers of beneficiaries enroll; beneficiaries overwhelmingly chose plans that cost less than the average. In July 2005, the expected average monthly premium, based on the best estimates of the CMS actuaries was \$37. Based on the actual choices that seniors have made, the average premium that beneficiaries will pay in 2006 is now less than \$24 a month, down from the most recent estimate of \$25. This more than one-third reduction in premiums reflects both strong competition among plans and a response of seniors to these choices showing they were informed and clearly favored lower-cost plans.

By choosing plans that met their needs at a much lower cost than expected, both beneficiaries and taxpayers are saving more than expected. The projected cost of the drug benefit has come down greatly – by 20 percent between the 2005 Trustees Report and the 2006 Trustees Report. Based on the results of the open enrollment process, soon Medicare expects to announce another significant downward revision in estimated Medicare prescription drug costs.

Q: So, when is the next time that a Medicare beneficiary can enroll for the first time in a Medicare Prescription Drug Plan, or change plans if one is currently enrolled but their current plan is not the most appropriate for their needs?

A: Current Medicare beneficiaries who did not enroll in a Medicare prescription drug plan before May 15 will be able to enroll this fall, beginning November 15. This enrollment period will end on December 31 and coverage will begin on January 1, 2007.

This time period, November 15, through December 31 of every year, is called the "annual-enrollment" period, where all current Medicare beneficiaries have the chance to enroll in a prescription drug plan. For those who are currently enrolled in a prescription drug plan, they have the opportunity to switch plans with no penalty. Keep in mind that coverage will not begin until January 1 of the following year, for enrolling or switching plans during this time period.

Now for new Medicare beneficiaries, those just becoming eligible for Medicare, they will be able to enroll in a Medicare prescription drug plan during the seven month period surrounding their eligibility, or birth month. The seven month period is the three months prior to their birth month, the month of and the three months after. The prescription drug coverage will begin the first of the month following the month in which they enroll.

Q: Is it true that those who qualify for the low-income subsidy based on income and resources can enroll in a Medicare Prescription Drug Plan at anytime if they missed the May 15 deadline?

A: Yes, the purpose of this special enrollment period is to make sure that anyone who qualifies for the extra help has an immediate opportunity to be enrolled in a plan and make use of this assistance. The extra help is help with the out-of-pocket prescription drug costs for low-income individuals who qualify.

- This Special Enrollment Period enables these individuals to enroll in a Medicare prescription drug plan as soon as they are found eligible for the extra help.
- If they do not enroll in a plan on their own, Medicare will facilitate their enrollment into a prescription drug plan with a premium below the low-income benchmark, but they will have the opportunity to change plans before December 31, 2006.
- Of the approximately 4.4 million Medicare beneficiaries who do not have secure, quality drug coverage, approximately 3.2 million are estimated to be eligible for the extra help. President

Bush announced that enrollment will continue throughout the year for these beneficiaries with limited incomes, with no late enrollment penalty.

- For those who think they may qualify for the low-income subsidy, and have not applied, they should apply as soon as they can. Almost a third of all people with Medicare are eligible – more than 8 million – have already qualified for this extra help.
- With the extra help, most will pay no monthly premiums, no deductibles, and no more than \$5 for each prescription. They would pay very little or nothing for their drugs.
- This extra help in paying for the annual deductibles, premiums and co-payments for Medicare prescription drug coverage could be as much as \$2,100 per year for those who qualify.
- One can apply by going to their local Medical assistance office, or by calling the Social Security Administration at 1-800-325-0778.

Q: Some folks have been enrolled in a Medicare Prescription Drug Plan for several or more months and are utilizing their benefits, but the monthly premium the plan charges has not been deducted from their Social Security check as the beneficiary requested. Why?

A: It generally takes two months before premiums are withheld from Social Security benefit payments. So eventually, some folks have or will see two months worth of premiums withheld from their Social Security check. Sometimes however, there may be problems, which could mean that in some cases, it will take three months for the premiums to be withheld. If a delay of more than 3 months occurs, or if your monthly Social Security benefit isn't enough to cover multiple premium payments at once, the premiums won't be deducted from the Social Security benefit payment. The beneficiary will be contacted by the prescription drug plan to see if they want to be billed directly for the monthly plan premiums or if they want the premium to be automatically withdrawn from their checking or savings bank account.

Q: Is there a more recent telephone scheme going on that asks for money for a new Medicare card or a drug plan, and if so, how should I be on the lookout for this scheme so that my loved ones and I are not defrauded?

A: Yes the \$299 fraud scheme in the recent past to defraud seniors and people with disabilities has changed into a higher priced scam involving in some cases a new Medicare card. Today the dollar amount requested by phone callers is usually \$379, but cases have also occurred where the callers asked for \$350, or \$365. These cases that involve attempts to steal beneficiaries' funds have been referred to federal law enforcement officials.

Medicare beneficiaries can take steps to protect themselves by remembering:

- It is against Medicare's rules to call a person with Medicare and ask for bank account or other personal information, or cash payments over the phone.
- No one can come into one's house uninvited.
- No one can ask for personal information during their marketing activities
- Always keep all personal information, such as your Medicare number, safe, just as you would a credit card or a bank account number.
- Whenever you have a question or concern about any activity regarding Medicare, call 1-800-Medicare (1-800-633-4227) or call 1-877-7SAFERX, (1-877-772-3379)
- Legitimate Medicare drug plans will not ask for payment over the telephone or the Internet. They must send a bill to the beneficiary for the monthly premium.
- Beneficiaries can pay automatically by setting up a monthly withdrawal from their Social Security check. Beneficiaries may also pay by monthly check or set up an automatic withdrawal from a bank account, but beneficiaries must call their plan or respond to a mailed payment request from the plan to do this.