

Medicare Part “D” – 2008

By Judith S. Parnes, L.C.S.W., C.M.C.

Medicare Part “D” is the newest component of Medicare coverage. Medicare prescription drug coverage is available to everyone who has Medicare. Medicare Part “D” can considerably lower the costs of prescription drugs and help protect against higher costs in the future.

Except under special circumstances, Medicare limits the time to enroll in or change Medicare Part “D” coverage to November 15 thru December 31 of each year. Now is the time to review current coverage to ensure that it is the best and most effective policy for you.

Whichever prescription drug coverage you choose, you should know that it can vary by cost, coverage and convenience. Some of these factors might be more important to you than others, depending on your situation and prescription drug needs.

Cost

When you get Medicare Part “D” coverage, you pay part of the cost and Medicare pays part of the cost. Each plan also has a premium or monthly cost. Your costs will vary depending on which drug plan you choose. Some plans have a deductible or a set dollar amount you pay before the plan coverage begins. Some individual may qualify for “extra help”, a low-income subsidy which will help pay for Medicare “D” drug plan’s monthly premium. The amount of extra help is based on your income and assets. You can apply for extra help by calling Social Security at 1-800-772-1213.

Coverage:

It is essential to make sure that all the prescription drugs you currently take are on your Medicare drug plan formulary. A formulary is a list of drugs that a Medicare drug plan covers. Formularies include brand name as well as generic drugs. Most prescription drugs used by people with Medicare will be on a plan’s formulary. Some plans may also have drugs on their formulary that require prior authorization. Your doctor must first contact the plan and explain why it is medically necessary for you to have that particular drug.

Coverage Gap

The Medicare Prescription Drug Plan offers coverage until you spend \$2,500 in total drug costs. You are then responsible for 100% of your prescription drug cost until you spend \$3,850 out-of-pocket. This is called the coverage gap or “donut hole”. If you have high drug costs you may want to consider a plan that offers additional coverage during this “gap” period.

Even if you don't currently take many medications, my recommendation is that you still carefully evaluate your need for a Medicare part "D" prescription drug plan. As we age most people need prescription medications to stay healthy. If you enroll in a plan as soon as you are eligible, you will pay a lower monthly premium and avoid paying any penalties in the future.

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