

MEDICARE PART D PLANS & STRATEGIES

As it is still construed, Medicare Part D allows you to change from one prescription drug plan to another without prejudice or penalty at an Annual Coordinated Election Period (15th October to 7th December). This means you need consider only your current requirements in choosing a plan.

If you are taking a battery of maintenance medications, go to http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/03_Resources.asp#TopOfPage. From this page you may proceed directly to a listing of all plans in your area. The site allows you to enter the drugs and dosages which concern you, and will give you a reasonable estimate of what your yearly costs will be for the plan or plans you are considering. If a drug is not covered, you must add the projected cost of that drug purchased outside the plan to the total shown on the site.

Covered charges include only those drugs listed by the plan in question and, save for a few exceptional circumstances, also purchased on the plan's terms from a participating pharmacy. No benefits are paid for unlisted drugs, or for drugs purchased from an unqualified source, nor do any such costs count towards your yearly obligation.

Three classes of drug plan are offered.

Basic Plans provide benefits exactly as outlined by Medicare. After a calendar year deductible, they pay 75% of your covered drug cost until you and your plan have incurred a certain amount of covered charges, the Initial Benefit Cap. Then they pay nothing until your drug costs have reached your out-of-pocket limit. Who pays what is easy to figure out with this type of plan.

Standard Plans have a reduced or no deductible. They provide benefits up to the Initial Benefit Cap according to a schedule of co-pays and co-insurances. Because the Initial Benefit Cap is the sum of all covered drug costs paid by **you and your insurer**, what you end up paying in the Initial Coverage Period is not always less than the deductible and 25% co-insurance you would have paid with basic coverage. Whatever the result **you** must still pay the scheduled True Annual Out Of Pocket Costs (\$4,550 for 2011) before you qualify for 95% reimbursements

DeLuxe plans have no deductible. These plans pay benefits according to a schedule of co-pays all the way through the benefit gap until you have reached your scheduled True Annual Out Of Pocket Costs in terms of co-pays only. If this is bound to happen in your case, you may be better off paying less premium and getting through your out-of-pocket limit sooner.

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Useful Web Links

Medicare & Medicaid Info & Regs

[<http://www.cms.hhs.gov/home/medicare.asp>](http://www.cms.hhs.gov/home/medicare.asp)

Creditable Drug Coverage

[<http://www.cms.hhs.gov/CreditableCoverage/>](http://www.cms.hhs.gov/CreditableCoverage/)

Prescription Drug Plans Listing
& Benefit Calculator

[<http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/03_Resources.asp#TopOfPage>](http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/03_Resources.asp#TopOfPage)

Premium Subsidy

[<http://www.cms.hhs.gov/limitedincomeandresources/>](http://www.cms.hhs.gov/limitedincomeandresources/)