

Medicare Annual Open Enrollment



Medicare Part D & Extra Help

Illinois Department on Aging
Senior Health Insurance Program (SHIP)
800-252-8966
Aging.SHIP@illinois.gov



LOCAL HELP FOR PEOPLE WITH MEDICARE

The 4 Parts of Medicare



**Part A Hospital
Insurance**



**Part B Medical
Insurance**



**Part C Medicare
Advantage Plans
(like
HMOs/PPOs)**
Includes Part A, Part
B, and sometimes
Part D coverage



**Part D Medicare
Prescription Drug
Coverage**

Part D Prescription Drug Coverage

- Medicare drug plans
 - Approved by Medicare
 - Run by private companies
 - Available to everyone with Medicare
- You must join a plan to get coverage

Part D Prescription Drug Coverage Cont.

- There are 2 ways to get coverage
 - Medicare Prescription Drug Plans (PDP)
 - Medicare Health Plans with prescription drug coverage (MA-PD)

Part B Prescription Drug Coverage

Some Drugs are covered under Part B most under Part D

Part B Drugs

- Drugs your doctor administers at a dialysis facility
- Oral cancer/Anti-emetic drugs
- Certain vaccines (flu/pneumonia and Hepatitis B)
- Drugs that require administration via nebulizer or infusion pump

Part D Drugs

- Brand names and generics
- Drugs that are not covered under Part A or Part B
- Biological products such as insulin
- Barbiturates and Benzodiazepines formally not covered by Part D

Part B Prescription Drug Coverage

- Part B covers limited outpatient drugs
 - Drugs and biologicals
 - Used for the treatment of End-Stage Renal Disease, such as drugs used for anemia
 - Drugs used at home with some types of Part B covered durable medical equipment

Part B Prescription Drug Coverage

- Some oral drugs with special coverage requirements
 - Immunosuppressive drugs, under certain circumstances (after an organ transplant)

Part D Covered Drugs

- Prescription brand-name and generic drugs
 - Approved by the U.S. Food and Drug Administration
 - Used and sold in United States
 - Used for medically-accepted indications
- Includes drugs, biological products, and insulin
 - And supplies associated with injection of insulin
- Plans must cover a range of drugs in each category
- Coverage and rules vary by plan

Self-administered Drugs in Hospital Outpatient Settings

- Part B doesn't cover self-administered drugs in a hospital outpatient setting
 - Unless needed for acute condition
- If enrolled in Part D, drugs may be covered
 - If not admitted to hospital
 - May have to pay and submit for reimbursement
 - You could bring maintenance drugs into hospital and ask to use them

Part D Eligibility Requirements

- You must have Medicare Part A and/or Part B to join a Medicare Prescription Drug Plan (PDP)
- You must have Medicare Part A and Part B to join a Medicare Advantage Plan with drug coverage (MA-PD)

Part D Eligibility Requirements Cont.

- You must have Medicare Part A and Part B or only Part B to join a Medicare cost plan with Part D coverage
- You must live in the plan's service area
 - You can't be incarcerated
 - You can't be unlawfully present in the U.S.
 - You can't live outside the United States
- You must join a plan to get drug coverage

Creditable Drug Coverage

- Other prescription drug coverage:
 - Can be through employer group retiree plans, Veterans Affairs, TRICARE, the Indian Health Service, and the Federal Employee Health Benefits Program

Creditable Drug Coverage Cont.

- Creditable if it pays, on average, as much as Medicare's standard drug coverage
- Plans inform members annually by sending a notice of to all members by October 15.
Notice states if coverage is *creditable* or not
- With other creditable coverage there are no late enrollment penalties upon joining part D.

Initial Enrollment Period (IEP)

- When you first become eligible to get Medicare
 - 7-month IEP for Part D (3-1-3)

If You Join	Coverage Begins
During the 3 months before you turn 65	Date eligible for Medicare
During the month you turn 65	First day of the following month
During the 3 months after you turn 65	First day of the month after month you apply

When You Can Join or Switch Plans

- Medicare's Open Enrollment Period is October 15–December 7 each year, coverage starts January 1
- You can leave a Medicare Advantage Plan and switch to Original Medicare from January 1–February 14 each year
 - You have until February 14 to also join a Part D plan (Stand alone plan)

When You Can Join or Switch Plans Cont.

- If you don't have Medicare Part A coverage, and enroll in Part B during the General Enrollment Period (January 1–March 31), you can sign up for a Medicare Prescription Drug Plan from April 1–June 30 each year

Special Enrollment Period (SEP)

- Life events that allow an SEP include
 - You permanently move out of your plan's service area
 - You lose other creditable prescription coverage
 - You weren't properly told that your other coverage wasn't creditable, or your other coverage was reduced and is no longer creditable

Special Enrollment Period (SEP) Cont.

- Life events
 - You enter, live at, or leave a long-term care facility
 - You have a continuous SEP if you qualify for Extra Help
 - You belong to a State Pharmaceutical Assistance Program
 - You join or switch to a plan that has a 5-star rating
 - Other exceptional circumstances

5-Star Special Enrollment Period (SEP)



- Use Medicare Plan Finder tool at Medicare.gov to see quality and performance ratings
- Star ratings are given once a year, assigned in October of the past year
- Use 5-star SEP to switch to any 5-star plan one time
- December 8–November 30 of following year
- Coverage starts first day of month after enrolled
- Be careful not to switch from a Medicare Advantage (MA) Plan with drug coverage to an MA Plan with no Part D coverage

Medicare Drug Plan Costs

Costs vary by plan

2017 most people will pay

- Monthly premium
- Yearly deductible
- Copayment/coinsurance
- 40% for coverage brand-name drugs in coverage gap
- 49% for covered generic drugs in coverage gap
- Very little after spending \$4950 out of pocket

Part D Monthly Premium and Income-Related Monthly Adjustment Amounts (IRMAA)

- Based on income above a certain limit
 - Fewer than 5% pay a higher premium
 - Uses same thresholds used to compute IRMAA for the Part B premium
 - Income as reported on your IRS tax return from 2 years ago
- Required to pay if you have Part D coverage
 - Failure to pay will result in disenrollment

Income-Related Monthly Adjustment Amount (IRMAA)

Your Yearly Income in 2014 Filing an Individual Tax Return	Your Yearly Income in 2014 Filing a Joint Tax Return	In 2017 You Pay Monthly
\$85,000 or less	\$170,000 or less	Your Plan Premium (YPP)
Above \$85,000 Up to \$107,000	Above \$170,000 Up to \$214,000	YPP + \$13.30*
Above \$107,000 Up to \$160,000	Above \$214,000 Up to \$320,000	YPP + \$34.20*
Above \$160,000 Up to \$214,000	Above \$320,000 Up to \$428,000	YPP + \$55.20*
Above \$214,000	Above \$428,000	YPP + \$76.20*

***IRMAA is adjusted each year, as it's calculated from the annual beneficiary base premium.**

Required Coverage

- All plans must cover 6 protected Rx categories
 - Cancer medications
 - HIV/AIDS treatments
 - Antidepressants
 - Antipsychotic medications
 - Anticonvulsive treatments
 - Immunosuppressants

Formulary

- A list of prescription drugs covered by the plan
- May have tiers that cost different amounts
- Tier Structure Example

Tier	You Pay	Prescription Drugs Covered
1	Lowest copayment	Most generics
2	Medium copayment	Preferred, brand name
3	High copayment	Non-preferred, brand name
4 or Specialty	Highest copayment or coinsurance	Unique, very high cost

Formulary Changes

- Plans may only change categories and classes at the beginning of each plan year
 - May make maintenance changes during year
 - Such as replacing brand-name drug with new generic

Formulary Changes Cont.

- *Plan usually must notify you 60 days before changes*
 - *You may be able to use drug until end of calendar year*
 - *May ask for exception if other drugs don't work*
- *Plans may remove drugs withdrawn from the market by the FDA or the manufacturer without a 60-day notification*

Drugs Excluded by Law Under Part D

- Drugs for anorexia, weight loss, or weight gain
- Erectile dysfunction drugs when used for the treatment of sexual or erectile dysfunction
- Fertility drugs
- Drugs for cosmetic or lifestyle purposes

Drugs Excluded by Law Under Part D Cont.

- Drugs for symptomatic relief of coughs and colds
- Prescription vitamin and mineral products
- Non-prescription drugs

How Plans Manage Access to Drugs

Prior Authorization	<ul style="list-style-type: none">▪ Doctor must contact plan for prior approval and show medical necessity for drug before drug will be covered
Step Therapy	<ul style="list-style-type: none">▪ Must first try similar, less expensive drug▪ Doctor may request an exception if<ul style="list-style-type: none">• Similar, less expensive drug didn't work, or• Step therapy drug is medically necessary
Quantity Limits	<ul style="list-style-type: none">▪ Plan may limit drug quantities over a period of time for safety and/or cost▪ Doctor may request an exception if additional amount is medically necessary

Part D Late Enrollment Penalty

- Higher premium if you wait to enroll
 - Exceptions if you have
 - Creditable coverage or Extra Help
- Pay penalty for as long as you have coverage
 - 1% of base beneficiary premium (\$35.63 in 2017)
 - For each full month eligible and not enrolled
 - Amount changes every year

What Is Extra Help?

- Program to help people pay for Medicare prescription drug costs
 - Also called the Low-income Subsidy (LIS)
- For people with limited income and resources
 - Lowest income and resources
 - Pay no premiums or deductible and small or no copayments
 - Slightly higher income and resources
 - Pay a reduced deductible and a little more out of pocket

What Is Extra Help? Cont.

- No coverage gap or late enrollment penalty if you qualify
- Continuous Special Enrollment Period

2017 Extra Help

Income and Resource Limits

- Income limits
 - Below 150% of the federal poverty level
 - \$17,820* per year for an individual, or \$24,030* per year for a married couple
 - Based on family size

2017 Extra Help

Income and Resource Limits Cont.

- Resources limits
 - Up to \$13,640* per year for an individual, or \$27,250* per year for a married couple
 - Doesn't include \$1,500/person for funeral or burial expenses
 - Counts savings and investments
 - Real estate (except your home)

*Higher amounts for Alaska and Hawaii

Qualifying for Extra Help

- You automatically qualify for Extra Help if you get
 - Full Medicaid coverage
 - Supplemental Security Income
 - Help from Medicaid paying your Part B premium (Medicare Savings Program)

Qualifying for Extra Help Cont.

- All others must apply
 - Online at ssa.gov/medicare/prescriptionhelp/
 - Call Social Security (SSA) at 1-800-772-1213
 - TTY users should call 1-800-325-0778
 - Ask for “Application for Help With Medicare Prescription Drug Plan Costs” (SSA-1020)

Benchmark Premium Part D Plans

- Certain PDP's offer benchmark plans
- Benchmark plans are listed in Medicare & You handbook, premiums are listed in blue ink.
- In 2017 there are 9 benchmark plans in Illinois
- An Extra Help beneficiary who chooses a non-benchmark plan will have only a portion of their premium subsidized
- In order to get \$0.00 premium with Extra Help, a benchmark plan **MUST** be chosen

Automatic and Facilitated Enrollment

People With Medicare and...	Basis for Qualifying	Data Source	Enrollment
Full Medicaid benefits	Automatically qualify	State Medicaid agency	<p>Automatic enrollment in Part D drug plan (unless already in a drug plan)</p> <ul style="list-style-type: none"> Letter on YELLOW paper Coverage starts first month eligible for Medicare and Medicaid Continuous Special Enrollment Period (SEP)
Medicare Savings Program	Automatically qualify	State Medicaid agency	<p>Facilitated enrollment in Part D drug plan</p> <ul style="list-style-type: none"> Letter on GREEN paper Coverage starts 2 months after CMS receives notice of your eligibility Continuous SEP
Supplemental Security Income benefits	Automatically qualify	Social Security (SSA)	
Limited income and resources	Must apply and qualify	SSA (most) or state Medicaid agency	

2017 Extra Help Copayments

Extra Help Copayments	2017 Generic/Brand-name
Institutionalized (Level 3)	\$0
Receiving Home and Community-Based Services (under waiver only) (Level 3)	\$0
Up to or at 100% Federal Poverty Level (Level 2)	\$1.20/\$3.70
Full Extra Help (Level 1)	\$3.30/\$8.25
Partial Extra Help (Deductible/Cost-Sharing) (Level 4)	\$82.00/15%

Medicare's Limited Income Newly Eligible Transition (NET) Program

- Designed to remove gaps in coverage for low-income individuals moving to Part D coverage
- Gives temporary drug coverage if you have Extra Help and no Medicare drug plan
- Coverage may be immediate, current, and/or retroactive

Medicare's Limited Income Newly Eligible Transition (NET) Program Cont.

- Medicare's Limited Income NET Program
 - Has an open formulary
 - Doesn't require prior authorization
 - Includes standard safety and abuse edits
 - To protect you from refilling too soon or therapy duplication
 - Has no network pharmacy restrictions
- Continuing Education credit webinars available
 - Run by Humana

How Do You Access Medicare's Limited Income Newly Eligible Transition (NET) Program?

Auto-enrollment by CMS

- CMS auto-enrolls you if you have Medicare and get either full Medicaid coverage or Supplemental Security Income (SSI) benefits.

Point-of-Sale (POS) Use

- You may use Medicare's Limited Income NET Program at the pharmacy counter (POS).

Submit a Receipt

- You may submit pharmacy receipts (not just a cashier's receipt) for prescriptions already paid for out-of-pocket during eligible periods.

Step 1: Prepare

- Prepare by getting your information together
 - Current prescription drug coverage
 - Prescription drugs, dosages, and quantities
 - Preferred pharmacies
 - Medicare card
 - ZIP code

Step 2: Compare Plans on Medicare Plan Finder

- Search for drug and health plans
- Personalize your search to find plans that meet your needs
- Compare plans based on star ratings, benefits, costs, and more

The screenshot shows the Medicare.gov website's Plan Finder tool. At the top, there's a search bar and navigation links. Below that, a menu bar includes options like 'Sign Up / Change Plans', 'Your Medicare Costs', 'What Medicare Covers', 'Drug Coverage (Part D)', 'Supplements & Other Insurance', 'Claims & Appeals', 'Manage Your Health', and 'Forms, Help, & Resources'. The main heading is 'Medicare Plan Finder'. The page is divided into two main search options: 'General Search' and 'Personalized Search'. The 'General Search' section has a 'ZIP Code' input field and a 'Find Plans' button. The 'Personalized Search' section has fields for 'ZIP Code', 'Medicare Number' (with an example '00001234567890'), 'Where can I find my Medicare Number?' (with a link to 'Medicare'), and 'Last Name'. It also includes a dropdown for 'Effective Date for Part A' with 'Month' and 'Year' sub-selects. On the right side, there are sections for 'Plan Finder Multimedia' with a video player, 'Additional Tools' with links like 'Find and Compare Medicare Policies', 'Search by Plan Name or ID', 'Enroll Now', 'Check Your Enrollment', and 'Medicare Complaint Form', and a 'Resources' section.

Step 3: Decide and Join

- Decide which plan is best for you and enroll
 - Online enrollment at [Medicare.gov/find-a-plan](https://www.Medicare.gov/find-a-plan)
 - Plan's website
 - Enroll by phone
 - 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
 - Call the plan
 - Mail or fax paper application to plan

Annual Notice of Change (ANOC)

- All Medicare drug plans must send an ANOC to members by September 30
 - May be sent with Evidence of Coverage (EOC)
- Will include information for upcoming year
 - Summary of Benefits
 - Formulary
 - Changes to monthly premium and/or cost sharing
- Read ANOC carefully and compare your plan with other plan options

Medicare Prescription Drug Coverage Resource Guide

Resources

Medicare Products

Websites:

Centers for Medicare & Medicaid Services (CMS) [CMS.gov](https://www.cms.gov)

RxAssist - A directory of Patient Assistance Programs [rxassist.org](https://www.rxassist.org)

Medicare Part D Appeals [MedicarePartDAppeals.com](https://www.medicare.gov/medicare-part-d-appeals)

Contacts:

[Medicare.gov](https://www.medicare.gov)

1-800-MEDICARE (1-800-633-4227)

1-877-486-2048 (TTY)

Social Security

1-800-772-1213

[socialsecurity.gov](https://www.socialsecurity.gov)

Local State Health Insurance Programs [Medicare.gov/contacts](https://www.medicare.gov/contacts)

Limited Income NET Program (HUMANA)

1-800-783-1307 or 711 (TRS)

Email: linetoutreach@humana.com

Manuals/Guidance:

“Prescription Drug Benefit Manual”

[CMS.gov/Medicare/prescription-drug-coverage/prescriptiondrugcovcontra/partdmanuals.html](https://www.cms.gov/Medicare/prescription-drug-coverage/prescriptiondrugcovcontra/partdmanuals.html)

“PDP Enrollment and Disenrollment Guidance”

[CMS.gov/Medicare/eligibility-and-enrollment/medicarepresdrugeligenrol/index.html](https://www.cms.gov/Medicare/eligibility-and-enrollment/medicarepresdrugeligenrol/index.html)

Manuals/Guidance (continued):

“Medicare Premiums: Rules for Higher-Income Beneficiaries”

[SSA.gov/pubs/EN-05-10536.pdf](https://www.ssa.gov/pubs/EN-05-10536.pdf)

“2015/2016 Guide to Mailings From CMS, Social Security, and Plans”

[CMS.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/Downloads/2015-2016-Mailings](https://www.cms.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/Downloads/2015-2016-Mailings)

National Training Program – Partner Job Aids

Visit the Training Library at [CMS.gov/outreach-and-education/training/cmsnationaltrainingprogram](https://www.cms.gov/outreach-and-education/training/cmsnationaltrainingprogram)

CMS Publications:

“Your Guide to Medicare Prescription Drug Coverage” (CMS Product No. 11109)

“Things to Think About When You Compare Medicare Drug Coverage” (CMS Product No. 11163)

“4 Ways to Help Lower Your Medicare Prescription Drug Costs” (CMS Product No. 11417)

“How Medicare Drug Plans Use Pharmacies, Formularies, and Common Coverage Rules” (CMS Product No. 11136)

To view or order these products:

Single copies—[Medicare.gov/Publications](https://www.medicare.gov/Publications);

Multiple copies (partners only) [productordering.cms.hhs.gov](https://www.productordering.cms.hhs.gov)

CMS Partner Tip Sheets—[CMS.gov/publications-for-partners.html](https://www.cms.gov/publications-for-partners.html)

Partner Tip Sheets (continued):

“Medicare Drug Coverage Under Medicare Part A, B, & D” (CMS Product No. 11315-P)

“Handling Medicare Part D Complaints” (CMS Product No. 11259-P)

“How Retiree Coverage Works With Medicare Prescription Drug Coverage” (CMS Product No. 11403-P)

“LI NET for People at Pharmacy Counter” (CMS Product No. 11328-P)

“LI NET for People With Retroactive Medicaid & SSI Eligibility” (CMS Product No. 11401-P)

“How Medicare Plans Drug Coverage Work With a Medicare Advantage Plan or Medicare Cost Plan” (CMS Product No. 11135)

Any Questions?

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800-252-8966

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Medicare

1-800 Medicare

1-800-633-4227

