

Medicare Rights Center

NEWS

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Communications

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Review Your Medicare Health and Drug Plan Options for 2010 Carefully, Consumer Group Advises

--November 15 Starts Limited Period to Review And Change Plans--

--Many Plans' Costs and Benefits Are Changing, and Staying in the Same Plan May Have Significant Financial Consequences--

New York , NY —Everyone who is enrolled in a Medicare private health plan or stand-alone drug plan should review their coverage options for 2010, advises the Medicare Rights Center , a national consumer advocacy group. Even people who are happy with their current plan should do so, because many plans change their costs and benefits from year to year.

From November 15 through December 31, people with Medicare have the right to change their health plan and prescription drug plan without restriction.

“Get ready and get set for November 15—an informed consumer is the smartest consumer. Many people with Medicare and their caregivers falsely think that they just need to pick a drug plan one time—for example, when they first enroll in Medicare—and are rudely surprised when they see significant changes in the costs or benefits provided by their plan. Reviewing and choosing a plan is an annual process that starts on November 15. New data on health and drug plans for 2010 show that plan selection will continue to be a complicated process for people with Medicare and the many caregivers who try to help them,” says Joe Baker , president of the Medicare Rights Center . “Pitfalls, unfortunately, remain.”

Prescription Drug Coverage (Part D)

Medicare prescription drug coverage is available only through private plans.

People with Original Medicare can purchase a stand-alone prescription drug plan (PDP), while most people who are enrolled in a Medicare private health plan (like a Medicare HMO) receive their drug coverage as part of their plan’s benefits package.

Data* on PDPs for 2010 show that:

- Average premiums will rise from \$35 to nearly \$39 per month.
- More plans will charge a deductible in 2010. 60 percent of plans will charge a deductible, up 15 percent from 2009.
- The number of plans that offer coverage in the doughnut hole—the gap in drug coverage when consumers pay the full price for their prescriptions—continues to shrink, but plans that offer coverage of generics in the doughnut hole are often a bad deal for consumers. One-third of the plans that cover generics in the gap charge more for them during the gap. This, combined with the limits on which generics are covered in the gap and the higher monthly premium, means that consumers may pay more over the course of the year than they would with a plan that has no gap coverage.

The data also show that 42 percent of low-income people with Medicare who are enrolled in Extra Help, the federal program that helps pay for some or most of the costs of prescription drug coverage, are in plans that no longer qualify for the full premium subsidy in 2010. Of these people,

- Over 2 million low-income people with Medicare enrolled in Extra Help who chose their drug plan in 2009 may face a premium of about \$10 next year if they do not switch to a plan that qualifies for a full premium subsidy.
- Over 1 million low-income people with Medicare enrolled in Extra Help will be randomly reassigned for 2010 to a new plan that may impose different restrictions on their drugs.

How To Choose the Part D Plan (either a stand-alone drug plan or a drug plan that is part of a Medicare private health plan) That Best Meets Your Needs

First:

- Make a list of the medicines you take, the dosages and how much you currently pay.
- Make a list of pharmacies you use regularly.

Then decide what type of drug plan you need. If you have:

- **Original Medicare:** Choose a stand-alone prescription drug plan (PDP) if you want to continue to receive your other health benefits through Original Medicare.
- **A Medicare private health plan (such as an HMO or PPO):** Generally, you must get Part D drug coverage as part of your private health plan's benefits package.

Third, use the Medicare Drug Plan Finder tool at www.medicare.gov or call 1-800-MEDICARE to review your options and get details.

Fourth, ask questions, such as:

- Does the plan cover all the medications I am taking?
- If the plan does not cover a medication I take, does it cover one that will work for me? (Ask your doctor.)
- Does the plan require that I get special permission before it will cover the

medication I need (such as prior authorization or step therapy)?

- How much will I pay at the pharmacy (copayments or coinsurance) for each drug I need? (Be aware that certain drugs may cost a lot even if they are covered.)
- How much will I pay in monthly premiums and annual deductible?
- Will I have to pay the full cost of my drugs at some point after the deductible (coverage gap)?

For a list that includes these and more questions to ask, go to Medicare Interactive (www.medicareinteractive.org/page2.php?topic=counselor&page=script&slide_id=1204)

The Medicare Rights Center urges people to consider the following questions before enrolling in a Medicare private health plan (like a Medicare HMO):

- Will I be able to use my doctors? Are they in the plan's network and are they taking new patients who have this plan?
- Which specialists, hospitals, home health agencies and skilled nursing facilities are in the plan's network?
- How much is my monthly premium?
- How much will it cost to see my primary care physician? A specialist?
- Do I need a referral to see a specialist?
- Are my prescription drugs on the plan's formulary (list of covered drugs)?
- Does the plan require that I get "prior authorization" before my prescription will be covered, or impose other restrictions (like limiting the quantity or requiring that I try a cheaper medication before it will cover a more expensive one)?
- How much will I have to pay out of pocket before coverage starts (what is the deductible)?
- How much will I pay for brand-name drugs? How much for generic drugs?
- Are there higher copays for certain types of care, such as hospital stays or cancer treatment?
- Does the plan have an annual limit on out-of-pocket costs? Do all services count toward the out-of-pocket maximum?
- What service area does the plan cover?
- What kind of coverage do I have if I travel outside of the service area?

For a list that includes these and more questions to ask, go to Medicare Interactive (http://www.medicareinteractive.org/page2.php?topic=counselor&page=script&slide_id=322)

The Medicare Rights Center offers the following resources, at no charge, to help people choose a Medicare private health plan or stand-alone drug plan that best meets their needs. We also help caregivers. One quarter of callers to our consumer hotline were caregivers seeking help with a coverage problem experienced by the person they care for.

Medicare Interactive: www.medicareinteractive.org

This free, web-based counseling tool provides consumer-friendly information about Medicare benefits, rights and options.

Telephone Counseling

Consumers who prefer to speak with a counselor can call the Medicare Rights Center 's toll-free hotline at 1-800-333-4114. Counselors are available Monday through Friday, 9:00 am to 5:00 pm (Eastern Time).

* Jack Hoadley, Juliette Cubanski, Elizabeth Hargrave, Laura Summer and Tricia Neuman, *Medicare part D Spotlight: Part D Plan Availability in 2010 and Key Changes Since 2006*, The Henry J. Kaiser Family Foundation, November 2009.

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Medicare Rights Center is a national, nonprofit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives.

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