



# Understanding Medicare Part D & the Affordable Care Act

Bryan Padget  
Outreach Coordinator  
Senior Health Insurance Program (SHIP)  
800-548-9034



# Topics

- What is SHIP?
- Medicare Part D
- Affordable Care Act
- Resource and Publications



# Who we are...

- **Senior Health Insurance Program**
- Established in 1988
- Free Medicare Counseling Program
- Sponsored by the State of Illinois
  - Illinois Department of Insurance
- Does not sell or solicit insurance
- Dedicated to educating people with Medicare
- SHIP trains volunteer counselors throughout Illinois
  - Provide one-on-one counseling
    - With Medicare Beneficiaries, family members and caregivers
  - Enroll beneficiaries into various Medicare programs
    - Medicare Prescription Drug Coverage, SSA “Extra Help”, Illinois Cares Rx...etc.
  - Through community based sites



# Medicare Part D

- Began in 2006
- Offered by private companies contracted with Medicare to provide prescription drug coverage
- Coverage offered
  - Stand-alone Prescription Drug Plan (PDP)
  - As part of a Medicare Advantage Plan (MA-PD)



# Medicare Part D...cont.

## Covered Drugs

- Available only by prescription
  - Brand name and generics
- Approved by the FDA
- Used and sold in the U.S.
- Used for medically-accepted indication
- Include
  - Drugs
  - Biologicals
  - Insulin, and injection or inhalation supplies



# Assistance Programs for Part D

- SSA “Extra Help”

- Federal assistance program

- Helps to pay for prescription drug costs with a Medicare Part D plan

- Some will automatically qualify

- Illinois Cares Rx

- State Pharmaceutical Assistance Program (SPAP)

- Helps with prescription drug costs in a coordinating plan



# Social Security Assistance

- Social Security Low-Income Subsidy (LIS) “Extra Help”
  - Will assist with premium, deductible, and cost-sharing with a Medicare Part D plan
    - Including Part D penalty
  - Must meet both income and asset limits to qualify

<b>2010 Federal Income and Asset Limits</b>			
<b>Annual Income Limit</b>		<b>Asset / Resource Limit</b>	
<b>Individual</b>	<b>Couple</b>	<b>Individual</b>	<b>Couple</b>
<b>\$16,245</b>	<b>\$21,855</b>	<b>\$12,510</b>	<b>\$25,010</b>

- Included in the asset limit is a \$1,500 per person funeral/burial expense



# Illinois Cares Rx

- Provides assistance with
  - Premium, deductible and copayments
    - With a coordinating Medicare Part D plan
- May provide a \$25 rebate check
  - With a non-coordinating or other creditable drug coverage plan
- Must meet income requirements
- Must file an application for the “Extra Help” program
  - Regardless of income or resource limits
    - Must file application at least once



# Illinois Cares Rx

- Medicare beneficiaries
  - Annual income of no more than
    - \$27,610 household of one in 2010
    - \$36,635 household of two in 2010
    - \$45,657 household of three in 2010
  - Enrolled in a coordinating plan for “wrap” coverage
    - MUST follow Part D plan formulary

<b>Benefit Stages</b>	<b>IL Cares Rx Beneficiary cost-share w/coordinating plan</b>
Monthly Premium	\$0
Annual Deductible (\$310/year)	\$2.50generic/\$6.30brand or \$15 specialty/non-preferred
Initial Coverage (\$310 - \$2830)	\$2.50generic/\$6.30brand or \$15 specialty/non-preferred
Coverage Gap (\$2830 - \$6440)	20% plus copay
Catastrophic Coverage (\$6440 and above)	5% or copay



# Illinois Cares Rx...cont

- Non-Medicare beneficiaries
  - IL Cares Rx Basic
    - 65yrs or older; or persons with disability
    - Illinois resident
    - Annual Income
      - \$27,610 for a household of one
      - \$36,635 for a household of two
      - \$45,657 for a household of three
        - Must also file a Schedule B
  - IL Cares Rx Plus
    - 65yrs or older
    - Illinois resident
    - Citizen or Qualified non-citizen
    - Annual Income
      - \$26,917 for a household of one
      - \$36,212 for a household of two

**Note:** Basic – Drug coverage is limited to the treatment of 11 different diagnoses.

Plus – Covers all classes of medically necessary prescription drugs and Prescriptions must be part of the IL Cares Rx preferred drug list



# Medicare and the Affordable Care Act



# What Will Not Change

- Medicare benefits will remain the same
  - Original Medicare
    - *Part A – Hospital Insurance*
    - *Part B – Medical Insurance*
    - *Part D – Prescription Drug Coverage*
  - Medicare Advantage (Part C)
    - *Health Maintenance Organization (HMO)*
    - *Preferred Provider Organization (PPO)*
    - *Private-Fee-For-Service (PFFS)*
    - *Special Needs Plans (SNP)*
    - *Medicare Savings Accounts (MSA)*
      - Medicare services are provided through private insurance companies contracted with Medicare.
      - Some plans may offer both health and drug coverage rolled into one.



# What Will Not Change

- Medicare will continue to cover health costs the way it always has.
- Eligibility stays the same.
- The *Medicare and You* handbook lists specific services covered.



# Changes You Will See Right Away

- Medicare Part D rebate check
- More affordable prescription drugs
- New benefits to help you stay healthy
- Change in Enrollment Period
- Guaranteed Medicare Benefits



# Medicare Part D Rebate Check

- Anyone reaching the Part D “doughnut hole” or coverage gap in 2010 will receive a check for \$250.
- The only exception will be those receiving Federal Extra Help to pay for their Part D.



# More Affordable Prescription Drugs

- In 2011, any person hitting the “doughnut hole” or coverage gap in Medicare Part D will pay less for their drugs.
  - Brand name drugs will be reduced by 50%
  - Generic drugs will be reduced by 7%





# New Benefits to Help You Stay Healthy

- Starting in 2011 Some Preventive Services will have no cost-sharing
  - Mammograms every 12 months for eligible beneficiaries age 40 and older;
  - Colorectal cancer screening, including flexible sigmoidoscopy or colonoscopy;
  - Cervical cancer screening, including a Pap smear test and pelvic exam;
  - Cholesterol and other cardiovascular screenings;
  - Diabetes screening;
  - Medical nutrition therapy to help people manage diabetes or kidney disease;
  - Prostate cancer screening (in most cases);
  - Annual flu shot, pneumonia vaccine, and the hepatitis B vaccine;
  - Bone mass measurement;
  - Abdominal aortic aneurysm screening to check for a bulging blood vessel;
  - HIV screening for people who are at increased risk or who ask for the test.

**NOTE: All others will have some cost sharing**



# New Benefits to help you stay healthy -continued

- Annual “Wellness Exam” will be available at no cost
  - To develop and update your personal prevention plan
  - Based on current needs and risk factors



# Change in Enrollment Period

- Beginning in 2011

- Medicare Advantage enrollees

- Switch back to Original Medicare with a PDP **only**
    - During first 45-days of new year

- Single Annual Enrollment Period (AEP)

- For both Part C and Part D plans
    - Oct. 15, 2011 – Dec. 7, 2011
      - Plan choice effective Jan. 1, 2012



# Resources and Publications

- SHIP
  - Medicare Supplement Premium Comparison Guide
  - 800-548-9034
  - [www.idfpr.com](http://www.idfpr.com)
- Medicare
  - *Medicare & You* 2010 handbook
  - *Medicare & You* 2011 handbook
  - 1-800-633-4227
  - [www.medicare.gov](http://www.medicare.gov)
  - [www.mymedicare.gov](http://www.mymedicare.gov)
  - TTY 1-877-486-2048
- Social Security Administration
  - “Extra Help” application
  - 800-772-1213
  - [www.ssa.gov](http://www.ssa.gov)
- Dept on Aging - (Illinois Cares Rx)
  - 800-252-8966
  - [www.cbrx.il.gov](http://www.cbrx.il.gov)



Any questions?

