

What You Should Know about Medicare Prescription Drug Coverage

The 2009 open enrollment for Medicare Part D Prescription Drug Coverage is Nov. 15 - Dec. 31, 2008. Before selecting a prescription drug plan (PDP) or changing your coverage, the National Association of Insurance Commissioners (NAIC) and Utah Insurance Department suggests you get smart about your coverage options.

What are Medicare Prescription Drug Plans?

In 2003, the federal government enacted a Medicare prescription drug coverage benefit for Medicare beneficiaries. Private insurance companies, whose plans have been approved by Medicare, sell Medicare PDPs. Everyone with Medicare is eligible to enroll in a PDP, regardless of income or assets.

What if I am already enrolled in a Medicare prescription drug plan?

Plans might change from year to year. Therefore, you should carefully examine all available plans during each open enrollment season, as you may find that your current plan no longer best meets your needs. Be sure to check the features of your plan, including the list of drugs covered and the amount of premium you pay. If you are satisfied with your current plan, you do not need to do anything to keep your plan. If you take no action, you will remain in your current plan.

What if I am enrolled in a Medicare Advantage Plan with prescription drug coverage?

Medicare Advantage plans might also make changes to important features of your plan from year to year, including the list of drugs covered, the premium you pay, cost-sharing requirements and provider networks. Your plan options should be carefully reviewed during each open enrollment season. If you take no

What are my options if I want to enroll in a Medicare prescription drug plan?

You can enroll in a stand-alone prescription drug plan (Medicare Part D) or you can choose a Medicare Advantage plan (Medicare Part C) that includes the new drug benefit.

You will want to compare plans and select the one that best meets your individual needs. Here are a few things to check:

- See if all of your prescriptions are on the plan's list of drugs (called a formulary).
- Check for your preferred pharmacy.
- Find out what co-payments you will be responsible for paying when filling a prescription.
- Is the premium for your preferred plan affordable?

Medicare Fraud

Unfortunately, not everyone who contacts you about switching to a Medicare drug plan has the best intentions. To protect yourself from scam artists intent on taking advantage of your situation, here are some tips to avoid becoming a victim:

- Beware of door-to-door sales people. Agents cannot solicit business at your home without an appointment. Do not let uninvited agents into your home.
- Check with your state's insurance department to make sure the salesperson is a licensed agent.
- Do not give out personal information, such as Social Security numbers, bank

action, you will remain in your current plan.

Do I need a Medicare prescription drug plan?

A Medicare prescription drug plan may provide more coverage than a Medicare supplement insurance (Medigap) policy or employer-provided prescription drug coverage. If Medicare considers your employer-provided drug coverage “credible” – meaning, coverage that is as good as the Medicare prescription drug coverage benefit – you are permitted to keep your current coverage without incurring future penalties. Check with your employer.

What about my drug coverage through my Medigap policy?

The benefit of a Medigap drug coverage plan is generally not as good as the new Medicare prescription drug plan, so carefully review the benefits of your Medigap drug coverage. If you are considering a change, you will need to make a decision during the enrollment period, or you could be subject to late enrollment penalties if you decide to enroll in a PDP later.

Enrollment Dates and Late Enrollment Penalties

Voluntary enrollment for Medicare prescription drug plans for 2009 began Nov. 15 and ends Dec. 31, 2008. If you enroll by Dec. 31, your new Medicare prescription drug coverage will begin Jan. 1, 2009.

If you are eligible, but wait to enroll after Dec. 31, you may be subject to late enrollment penalties. These penalties are generally 1% per month for every month you delay enrollment. That means if you wait until March, you would pay a 3% late enrollment penalty. There is no limit on the penalty, so the longer you wait to enroll, the higher the premium you will pay.

account numbers or credit card numbers to anyone you have not verified as a licensed agent. People are not allowed to request such personal information in their marketing activities and cannot ask for payment over the Internet. They must send you a bill. Once you decide to purchase a plan and have verified that the agent is licensed, you may give the agent personal information to assist in enrollment and billing.

- Verify that the plan you have chosen is an approved Medicare plan. All of the approved plans are available at www.medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227).

Other Important Things to Consider

Federal assistance with premiums will be available to Medicare beneficiaries who meet certain income requirements.

Medicare beneficiaries may seek assistance in reviewing options for coverage and obtaining financial assistance by contacting their State Health Insurance Assistance Program (SHIP).

Go to the NAIC Web site

(www.naic.org/state_web_map.htm) to link to your state insurance department or insurance.utah.gov.

More Information

There is more information available at www.medicare.gov, including an enhanced online Medicare Prescription Drug Plan Finder. You can find more information about your changing insurance needs and tips for choosing the coverage that is best for you and your family at www.InsureUOnline.org.