

"Helping Seniors Make Smart Decisions about their Drug Coverage Options"

Hal Prink, FHFMA, Medicare Patient Advocate,
Senior's Voice for Healthcare Rights

– Phone – 720-936-1750

– Fax – 720-348-1186

– E-mail – hlprink@comcast.net

Where I am coming from

- Almost 40 years – Health Care Finance and Education experience
- 4 years Medicare Patient Advocate
- Recipient of the CMS Beneficiary Services Certificate of Merit

Will Bob make Medicare drug benefit choices that are right for him?



Goals for Session

- Increase Awareness of:
 - Need for Beneficiary Education
 - Complexity of Options
 - Effective Principles for Adult Learning
 - Education Roles for CMS, Providers, Employers, Advocacy groups, Health Plans and Card Providers
- Commitment to place a high priority on beneficiary education so that each senior/caregiver chooses options that are best for them or family members.

Need for Beneficiary Education

Four types of Informed Decisions

1/2004-12/2005

- Should I get the interim drug card?
- Does it matter which one I get?
- Should I apply for assistance benefits?

For 1/1/2006 when full drug benefit begins

- Should I pay the drug benefit premium?
- Should I change health plans?
- Additional questions for seniors/caregivers – attachment 1

Medicare Choices are Complex

- No “One Size—Fits All” Decisions
- Inputs required:
 - Expected annual cost of prescription drugs
 - Type of Health Plan (HMO, Medi-Gap, Employer Plan, etc.)
 - Medicaid
 - Income
 - Veteran Status

Medicare Trade-Offs

The new benefit will not be for everyone

Trade-off

- New Benefits for ME
- New Costs to ME
- Prescription Drug Calculator
 - Chart – attachment 2
 - Personal examples

Medication preferences can also impact choices

- Brand name vs. generic
- Drug store vs. mail order
- US vs. Canada

A Quick Trip through MMA (Medicare Modernization Act)

- Drug Discount Card
- Assistance Program
- Drug Insurance (2006)
- Low Income Beneficiaries: #1,2,3
- Medi-Gap Policies
- Employer Plans
- Other Benefits
- New Costs

Drug Discount Card

- Available June 2004 – Enrollment begins May 2004
- Estimated 10-15% Discount
- Multiple cards – Consumers must pick ONE and cannot change until January 2005
- People on Medicaid with drug coverage or in a Medicare Advantage Plan with drug plan cannot apply
- No monthly fee but \$30 one time application fee per member

Assistance Programs

- Medicare beneficiaries with incomes 135% below poverty level (single- \$12,123 and married approximately \$18,000)
- \$600 towards drug cost for 2004 and 2005 with 5-10% co-pay of the \$600 limit
- No asset requirements
- Unused funds roll over to next year
- Not eligible for Medicaid, Tri-care, FEHBP or former employer coverage
- Simple application

Medicare Drug Insurance Program

Medicare Part D

- Begins January 1, 2006
- Enrollment November 14, 2005 to May 15, 2006
- Penalty for late enrollment – 1% per month unless creditable coverage thru employer plan
- If in Medicaid and Medicare Eligible and do not choose a plan – one will be assigned
- Medi-gap policy is NOT creditable coverage

Medicare Drug Insurance Program

- \$35 per month per person premium (subject to further discussion), \$250 deductible and 25% co-pay for first \$2,250
- No coverage between \$2,251 and \$5,099 (Donut Hole aka Black Hole)
- Costs over \$5,100 with 5% or \$2-\$5 cost sharing whichever is larger
- Penalty for late enrollment – 1% per month or other method chosen by Medicare

Low Income Beneficiaries

Group 1 – 100% Federal Poverty Level

\$9,630 single and \$13,000 married

- No premium or deductible
- \$1 for generic and \$3 brand co-pay
- Reduced late enrollment penalty

Low Income Beneficiaries

Group 2 – Up to 135% poverty level

- \$13,000 single and \$17,550 married
- assets below \$6,000 single/\$9,000 couple
 - No premium or deductible
 - \$2 generic and \$5 brand co-pay
 - Reduced late enrollment fee

Low Income Beneficiaries

Group 3 – Less than 150% Federal Poverty Level

- \$14,450 single and 19,500 married
- Assets below \$10,000 individual/ \$15,000 couple
- Reduced premium based on sliding scale
- \$50 deductible
- 15% co-pay
- Institutionalized Medicaid Eligibles pay no copays or deductibles

Medi-Gap Policies

- Plans H, I and J with drug coverage no longer available but people can continue with them if they do not sign up for Part D.
- Question-why would they do this if no drug coverage?

Employer Coverage

Tax free subsidies to encourage employers who maintain drug coverage for retirees to maintain this coverage.

Other New Benefits

- Initial visit (physical exam) covered
- Annual physicals covered? (to be clarified in final HHS regs)
- Screening for Diabetes and Cardiovascular Disease

New Costs

- Increase in Part B Deductible from \$100 to \$110
- Means testing for Part B Premium
 - Currently all Medicare beneficiaries pay 25%
 - Individuals with income over \$80,000 individual and \$160,000 couple would pay a larger premium yet to be determined beginning in 2007
 - Top out at 80% of cost for individuals with income over \$200,000/\$400,000

Adult Learning Principles



Adult Learning Principles

- Self-directed/
Interactive
- Based on life
experiences
- Goal oriented
- Relevant
- Practical
- With respect

Role in Beneficiary Education

- CMS
- Providers
- Employers
- Health Plans
- Drug Care Providers
- Patient Advocate Organizations

Patient Advocate Organizations

- Training Programs



Patient Advocate Organizations

- Training programs
 - Senior groups such as:
 - Senior Centers, Assisted Living Centers, Senior associations etc.
 - Civic groups
 - Healthcare providers
 - Physician groups
 - Home health and long-term care facilities

Patient Advocate Organizations

- One-on-One Phone or on-site counseling
 - Educate
 - Review alternatives to make wise decision



Summary

- Beneficiaries, like Bob are facing complex choices
- Effective education is essential
- Patient-advocacy organizations have the experience and adult learning skills needed.

