The Center for Health Care Rights (CHCR) is a California non-profit organization that provides free information and help with Medicare, Medi-Cal, and other health insurance. CHCR services are funded in part by the California Department of Aging Health Insurance Counseling and Advocacy Program (HICAP), a program of the City of Los Angeles Department of Aging and the Los Angeles County Area Agency on Aging. Funding for this fact sheet was provided by the California Wellness Foundation.
**Coverage and Costs**

2015 Part D Plans

- Premiums range from $0 to $176 per month in Los Angeles County.
- The annual deductible is $0 to $320. The deductible is the amount you pay before your drug plan starts to pay anything.

### Initial Coverage Period

After you pay your deductible, you pay 25% of the total retail cost of your prescription drugs until the total cost reaches $2,960 for the year.

### Coverage Gap

When your total drug costs reach $2,960 for the year, you pay 45% of the cost for brand name prescriptions and 65% for generic drugs until the total cost reaches $6,680.

### Catastrophic Coverage

Once your total drug costs are greater than $6,680 for the year, you pay $2.65 (generic) to $6.60 (brand), or 5% of the cost, for each prescription drug.

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**How Does the Health Care Reform Law Reduce What I Have to Pay for My Prescription Drugs?**

Between 2011-2020 the law will gradually reduce the amount that you must pay for prescription drugs when you are in the Part D coverage gap or doughnut hole. By 2020, your out of pocket costs will be reduced to a 25% copayment for your prescription drugs when you are in the doughnut hole.
TYPES OF MEDICARE PART D PLANS

There are two types of Medicare drug plans:

1. **Prescription Drug Plans (PDP)**
   These plans provide Medicare Part D benefits only. You get your Part A and Part B benefits through Original Medicare.

2. **Medicare Advantage Prescription Drug Plans (MA-PD)**
   These are managed care plans that cover all Medicare Parts A, B and D benefits. If you are in a MAPD plan, you must get all of your Medicare services, including your prescription drugs, from the plan’s network providers.

HOW SHOULD I CHOOSE A MEDICARE DRUG PLAN?

- **Compare plan formularies**
  A formulary is the list of prescription drugs that the plan covers. Choose a plan that covers all your medications.

- **Look at the plan premium and co-payment costs**
  Each plan determines how much they will charge for covered drugs. Use the Medicare.gov drug plan tool to help you find the lowest cost plan that meets your needs.
**I HAVE PRESCRIPTION DRUG COVERAGE. DO I HAVE TO ENROLL INTO A PART D PLAN?**

If your drug coverage is as good as the standard Medicare drug benefit, you do not need a Medicare drug plan.

Persons who have TRICARE For Life or Veterans Administration drug coverage do not have to enroll in a Part D plan.

If you do not have drug coverage, there is a penalty for late Part D enrollment.

The penalty is 1% of the base premium for each uncovered month.

The 2015 Part D national base beneficiary premium is $33.13.

**I HAVE A HIGHER INCOME, WILL I HAVE TO PAY MORE FOR MY PART D DRUG PLAN?**

Medicare beneficiaries with a modified adjusted gross income greater than $85,000/year for a single person and $170,000/year for a married couple will pay an additional Medicare Part D premium based on their income.

The Part D income related premium is based on income reported on your IRS tax return from two years prior.
MEDICARE PART D ENROLLMENT PERIODS

Initial Enrollment Period (IEP)
- A seven month enrollment period that occurs when you become eligible for Medicare.
- It starts 3 months before the month of eligibility and ends 3 months later.

Annual Election Period (AEP)
- During October 15 - December 7 of each year, you can change your Part D Plan.

Medicare Advantage Disenrollment Period
- January 1 - February 14, you can make the following changes if you have a Medicare Advantage Prescription Drug plan:
  - Disenroll from a MA-PD plan: Enroll into a Part D PDP (drug only) plan.
  - Disenroll from a MA-PD plan: Select no Part D coverage.

Special Enrollment Period
- You can enroll into a Medicare drug plan if you:
  - Lose your employer/retiree coverage,
  - Move out of your Part D service area, or
  - Enter/leave a nursing home.
How can I get financial help with my Part D expenses?

- The Low Income Subsidy (LIS) Program or Extra Help Program will help pay your Part D costs if you qualify.
- You can apply for the program at any time.
- If you qualify for LIS, you can enroll into a Part D plan at any time.

### Full LIS Extra Help

<table>
<thead>
<tr>
<th>Income Limit**</th>
<th>Asset Limit*</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,313/month (individual)</td>
<td>$8,660 (individual)</td>
<td>- You pay $2.65 to $6.60 co-payments</td>
</tr>
<tr>
<td>$1,770/month (married couple)</td>
<td>$13,750 (married couple)</td>
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</tbody>
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### Partial LIS Extra Help

<table>
<thead>
<tr>
<th>Income Limit**</th>
<th>Asset Limit*</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,459/month (individual)</td>
<td>$13,440 (individual)</td>
<td>- $0 to $63 annual deductible</td>
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<td>$1,966/month (married couple)</td>
<td>$26,860 (married couple)</td>
<td>- You pay 15% of drug costs</td>
</tr>
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<td></td>
<td></td>
<td>- After total drug costs are greater than $6,680, you pay $2.65 to $6.60 co-payments</td>
</tr>
</tbody>
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*Asset limit includes $1,500 per person for burial expenses. The home you live in, your cars, and life insurance policies are not counted as resources.

**In-kind support is not counted towards the income limit.
I HAVE MEDICARE AND MEDI-CAL. DO I HAVE TO ENROLL IN A MEDICARE DRUG PLAN? HOW MUCH WILL IT COST?

- Everyone who has Medicare and full Medi-Cal must enroll in a Medicare drug plan. If you do not choose a plan, Medicare will choose one for you.

- Each drug plan has its own list of covered drugs. Choose a plan that covers your medications.

- Your co-payment for each prescription will be $1.20 for generic to $3.60 for brand name medications.

WHAT CAN I DO IF MY MEDICARE PRESCRIPTION DRUG PLAN DOES NOT COVER A DRUG I NEED?

- Ask the drug plan to cover the prescription drug you need. This is called an “exception request.”

- If you request an exception, your doctor must explain why the drug is medically necessary for you. The process takes:
  
  - 24 hours if your medical condition is serious.
  - 72 hours if your medical condition is not serious.

- If the plan denies your request, you can appeal. For more information, call us toll free at 1-800-824-0780.
NEED MORE INFORMATION ON MEDICARE PART D PLANS?

- Call Medicare’s toll-free hotline at 1-800-633-4227.
- Go to Medicare’s Web site at www.medicare.gov.
- Call the Center for Health Care Rights at 1-800-824-0780.

We are here to help you!

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