

UPDATE

ISSUE- MEDICARE PART D

The Medicare Part D prescription drug program will go into effect January 1, 2006. Many of you have probably received some type of information regarding this new program from your employer, carrier or Medicare. If you have questions regarding Medicare Part D, you are not alone. This Update contains information that we hope will help answer some of your questions.

The United Healthcare "Introduction to Part D: Medicare's New Prescription Drug Coverage," Show-Me Guide is quoted in our Update because of its thorough descriptions and easy-to-understand format of the new prescription coverage.

IS A PART D PLAN FOR ME?

Medicare Part D prescription drug plans may not be for everyone. Use these questions to assess if a Part D prescription drug plan makes sense for you.

- 1) Are you eligible for Medicare because of your age or due to a disability?
- 2) Do you use prescription drugs now or expect to in the future?
- 3) Are you currently without prescription drug coverage? That means you don't have prescription drug coverage from your employer, former employer, or some other source.
- 4) Do you like the idea of having a safety net or protection for the cost of drugs if something serious happens to your health?
- 5) Do you like the idea of getting a break on the prices of your prescription drugs?

If you answered yes to one or more of these questions, you'll probably want to sign up for a Part D prescription drug plan.

TOP 10 THINGS TO KNOW

If you only have time for a quick introduction to Part D prescription drug plans, read this list. These are the big ideas you need to know. Later, if you want, you can dig deeper into these topics.

1. **Open to all people with Medicare** – Part D plans are open to everyone who's eligible for Medicare in the U.S. and U.S. territories. Generally, that means people who are 65 years old or older, and some younger people with certain disabilities. You cannot be denied coverage for health reasons. Participation is voluntary. You get to decide if you want to enroll or not. If you have Medicare or Medicaid, you will be enrolled automatically, so there is no lapse in your Medicaid prescription drug coverage. The first enrollment period starts November 15, 2005. There will be annual enrollment periods from then on. If you decide to join later, your monthly premiums may be higher because there's an additional fee for late enrollment.
2. **Pay to participate** – Participation has a cost and you will pay a portion. However, much of the cost is paid by the government. Typically, the government pays about 75 percent of the enrollment costs of the plan. You pay the rest.
3. **Safety net and peace of mind** – All of the Part D plans are private insurance plans. Most participants will pay monthly premiums. That premium buys you the peace of mind of knowing that if your drug costs become very high, you will be protected.
4. **Discounted prices** – If you join a Part D plan, and use the plan's network pharmacies, you'll have access to discounted prices. Plans will negotiate lower prices with drug companies and pass those savings along to you. So when you pay for drugs within the plan, you'll have access to discounted prices even when you are responsible for 100 percent of the payment.

5. **Choices in plans** – You'll have choices in plans. All plans will be run by private companies. Companies will release details of their plans after October 1, 2005. Although all plans must meet the government's requirements, there will be differences between plans, including what drugs are covered and what pharmacies you can use. Some plans may offer mail-order service. You will want to see which one is best for you. You'll be able to change plans once a year.
6. **Two kinds of plans** – Plans will come in two basic types. The most simple is a prescription drug plan (sometimes called a PDP), which covers only drugs and can be used with your traditional Medicare and/or a Medicare supplement plan. The other type combines a prescription drug plan with a Medicare Advantage plan that includes medical coverage for doctor visits and hospital expenses. This kind of plan is called a Medicare Advantage plus Prescription Drug, or MA-PD.
7. **Enroll late, pay more** – You can choose to enroll beginning November 15. Just like other types of insurance plans, the longer you wait, the higher your premium may be. If you are eligible, and don't sign up by the end of the initial enrollment period, which ends on May 15, 2006, you may pay more if you sign up later. The late enrollment fee is approximately one percent of your premium for each month you delay, and you'll pay it for as long as you stay in the Part D plan. If you're late because you were participating in a qualified prescription drug plan, such as a plan from your former employer, the fees may not apply to you.
8. **Choose drugs from a formulary** – Each Part D drug plan will have a government-approved list of drugs it covers – called a formulary, or a preferred-drug list. The formulary may vary from plan to plan, but you and your doctor will have choices. Before you choose a plan, you'll probably want to compare plan formularies to see which one fits your needs best.
9. **No free drugs** – Don't expect free drugs. For each prescription, you'll pay a portion of the cost. The plan will help you with some of the costs. How much you pay and how much the plan pays varies.
10. **Extra help for people who need it** – People with lower incomes get extra help. Premiums may be reduced or eliminated, and other payments may be less.

WHAT TO DO

Part D prescription drug coverage is a new program, so you'll probably see and hear a lot about it in the coming months. One important thing to know is that you'll have some choices to make. And before you decide what's best for you, you'll probably want to do some comparison shopping. Your plan of attack should include the following:

- **Get Ready**
- **Read, Read, Read**
- **Figure out what kind of health care coverage you have now and whether it will be available in 2006**
- **Collect current information**
- **Compare choices**
- **Decide what's right for you**

HEALTH & FITNESS NEWS

The Fall & Winter Health and Fitness News publication has been included with this newsletter for your reading enjoyment. These publications are loaded with informative articles on food, diets, exercise, and lifestyle decisions. There should be something interesting in this newsletter for everyone. Enjoy!

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