

Medicare Part D Prescription Drug Program

What is Medicare Part D?

A new prescription drug benefit, funded by Medicare beginning January 1, 2006.

- Available to those with Medicare Part A and/or Part B
- Participation is voluntary and requires the payment of an extra premium (similar to how Part B works).
- Should be thought of as "insurance" for current or future prescription needs.

How does it work?

Beneficiaries will be able to choose among many plans being offered by private insurers.

- Stand-alone Prescription Drug Plans: Will provide the prescription drug benefit in addition to your normal Medicare benefits.
- Medicare Advantage Plans: Plans that offer all Medicare benefits as part of a comprehensive medical plan.
 - Today, these are called "Medicare + Choice" plans.

The Part D program will replace Medicare Discount Card programs.

What will I have to pay?

Each plan will have their own unique design for...

- Premiums, deductibles, co-pays and coverage gaps

Expect a monthly premium of approximately \$32 per month

Most plans will have a co-pay for brand and generic medications

Is Financial Help Available?

Those with lower incomes may qualify for extra financial help, including lower or no premiums & deductibles, and reduced co-pays.

If you currently receive State Medicaid, you will automatically receive the most generous financial help.

If you received a letter from the Social Security Administration (SSA) saying you may qualify for financial help, you must apply to get the help.

- Walgreens has additional information at our stores for those who received the SSA letter.

How will the Financial Help Work?

Anyone on State Medicaid will automatically be assigned to a Medicare Part D plan beginning January 1, 2006. All premiums and deductibles are waived.

- Continuous coverage from the first dollar spent on prescriptions
- Small co-pays of \$1 for generics, \$3 for brand prescriptions

For those submitting the SSA application for Financial Help, the amount received depends on income level and some other assets.

- Can eliminate, or reduce the monthly premium
- Can eliminate, or reduce the annual deductible to no more than \$50
- Can significantly reduce the co-pay amount you must pay for each prescription to no more than 15% of the prescription cost

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Will My Medicines be Covered?

All prescription drug plans must provide access to a broad range of drugs, but do not have to cover every drug.

- Each plan will have a “formulary” or list of drugs that they will cover.
 - Some brand name drugs may be “preferred” and have a lower co-pay, while others may be “non-preferred” and have a higher co-pay.
 - Talk to your doctor and pharmacist about any questions regarding formularies and your drugs.
- Before choosing a plan, it is important to review each plan’s formulary to see the type of coverage offered on the medications that you are currently taking.

What does the new benefit mean if I have prescription coverage through employer retiree benefits?

- You will receive notice from employer certifying plan is “as good” as the new Part D program.
- You can elect to stay with your retiree benefit, or switch to a prescription drug plan – the choice is yours.
- If employer drops coverage, now or in the future, you are automatically eligible for Part D

What does the new benefit mean if I have prescription coverage through Medigap or a Medicare managed care plan?

Compare the new Medicare prescription drug plan to your Medigap or Medicare managed care plan to see which has better drug coverage.

Then you can either:

- Elect to stay with the Medigap or Medicare, or switch to a prescription drug plan – the choice is yours.
- Elect to stay in the Medicare Advantage program which includes Medicare prescription coverage – with current plan premiums.

When do I sign up?

Enrollment begins November 15, 2005

Enrollment ends May 15, 2006

- Enroll early to be able to take advantage of the program when it starts on January 1, 2006
- Enrollment after May 15th, 2006, will result in paying a higher premium to participate. The longer you wait, the higher the premium you will pay, (1% for each month that you wait).

How do I find more Information?

- Plans will be sending you information in the mail
- You can pick up information at Walgreens
- You can call 1-800-MEDICARE
- You can go to www.Medicare.gov