

**CHOOSING THE RIGHT PLAN:**  
**ADVICE FOR MEDICARE BENEFICIARIES LOOKING**  
**FOR DRUG COVERAGE THAT FITS**

It is once again time for seniors to re-evaluate the prescription drug coverage they receive from Medicare. Seniors who rely on Medicare for prescription drug coverage get that coverage by joining private, Medicare-approved prescription drug plans. Every year between November 15<sup>th</sup> and December 31<sup>st</sup> Medicare beneficiaries have the opportunity to switch plans for the following year. During this period seniors can choose a new plan that will take effect on January 1<sup>st</sup> 2008, or take no action and simply stay in their current plan.

Seniors need to look closely at their current coverage. Many plans are changing their costs and coverage in 2008. Staying put in your current plan may mean significant increases in costs next year. According to the Kaiser Family Foundation, approximately 75% of Medicare Part D beneficiaries enrolled in stand-alone prescription drug plans (PDPs) will face an increase in premiums unless they switch to a plan with a lower premium. The average increase will be 17%. One in five enrollees will face an increase of more than \$10 per month. Due to these premium increases, over 2.5 million Low Income Subsidy recipients will have to *switch* plans to avoid paying a premium next year.

Many plans are also making changes to the type of coverage they provide. Some are adding or subtracting medications from their formulary (the list of drugs the plan covers) while others are changing the type of coverage they provide in the infamous coverage gap known as the ‘donut hole.’

To make sure that the plan they enroll in for 2008 covers the drugs they need at a price they can afford, every beneficiary should follow these simple steps to ensure the plan they are in for 2008 is a good fit for them:

- **Prepare.** Think about what type of coverage you need. What medications do you take? How much can you afford to spend on prescription drug coverage?
- **Examine your current plan.** Your plan should have sent you an Annual Notice of Change in late October. This document describes changes to the costs and coverage provided by the plan in 2008. What will the plan’s monthly premium be next year? Will there be a deductible? Is there any coverage provided in the ‘donut hole’? Are the medications you take covered? Are there any special requirements you and your doctor have to meet to get the medications you need? What is the co-payment for each medication you take?

- **Compare.** Once you understand the costs and coverage offered by your current plan, you can compare the costs and coverage to other plans. There are a number of ways that you can learn about other plans offered in your area. The Medicare & You handbook has a list of plans, but provides only limited information. A better source is the Medicare website ([www.medicare.gov](http://www.medicare.gov)). On the Medicare website you can enter the medications you take and see which plans cover your medications and at what cost. If you are considering joining a Medicare Advantage plan (a plan that provide Part A and Part B coverage in tandem with Part D coverage) make sure your doctors accept the plan and that co-payments for doctor's visits, hospitalizations and other services are affordable.
- **Decide.** Once you have compared plans you will need to decide which plan to enroll in for 2008. If you choose to stay in your current plan, you do not need to take any action. If you want to switch to a new plan, you can do so online at [www.medicare.gov](http://www.medicare.gov) or by calling the new plan. You have until December 31<sup>st</sup> to make your decision and complete your enrollment, but it's best to enroll early. Medicare recommends you enroll by December 7<sup>th</sup> to ensure that your new plan's information is loaded in all of the computer systems by January 1<sup>st</sup>.
- **Get Help.** Finding a Medicare prescription drug plan that is right for you can be a daunting task. Luckily, there are experts available to help. Each state operates a State Health Insurance and Assistance Program that provides free counseling to seniors considering their Medicare options. Contact information for each state's SHIP is available at <http://www.medicare.gov/contacts/static/allStateContacts.asp>
- **Don't Give in to Pressure.** Many plans have agents that conduct informational meetings or offer home visits to discuss the benefits of their plan. Make sure you understand what you are choosing before signing up and don't let anyone rush you into joining a plan. Consult with someone you trust first.

**Special Considerations for Low Income Subsidy (“Extra Help”) Recipients.** Changes to plan premiums mean that over 2.5 million low income subsidy recipients will have to change plans to continue paying no monthly premium next year. In addition to the steps above these beneficiaries should:

- **Carefully Review Notices from Medicare.** Medicare sent a **blue** notice to over 2 million low income subsidy recipients telling them that they have been automatically assigned to a new plan that may or may not cover their drugs. The notice will indicate the new plan. An additional 440,000 beneficiaries will receive a **tan** notice informing them that they must switch plans themselves to avoid paying a premium in 2008.
- **Consider the Options.** Don't be passive. Beneficiaries who get a blue notice have three options: 1) do nothing and accept the automatic assignment to a new plan; 2) re-enroll in their current plan and pay a premium in 2008; or 3) pick a new plan. Beneficiaries who get a tan notice have two options: 1) do nothing, stay in their current plan and begin paying premiums in 2008 or 2) pick a new plan. In both cases, doing nothing might be a bad choice. Get help comparing plans and decide which plan best meets your needs.