



## MEDICARE PRESCRIPTION DRUG COVERAGE (PART D)

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### ARE YOU ELIGIBLE FOR MEDICARE PART D?

If you are entitled to or enrolled in Medicare benefits under Part A and/or Part B, you are eligible. If you have a Medicare Advantage Plan (Part C) that includes prescription drug coverage, and you join a Medicare Prescription Drug Plan (Part D), you will be dropped from the Medicare Advantage plan and returned to original Medicare.

### WHAT DOES MEDICARE PART D COVER?

Each Medicare Prescription Drug Plan has its own list of covered drugs (called a formulary). Many Medicare drug plans place drugs into different "tiers" on their formularies. Drugs in each tier have a different cost.

A drug in a lower tier will generally cost you less than a drug in a higher tier. In some cases, if your drug is on a higher tier and your prescriber thinks you need that drug instead of a similar drug on a lower tier, you or your prescriber can ask your plan for an exception to get a lower copayment.

A Medicare drug plan can make some changes to its formulary during the year within guidelines set by Medicare. If the change involves a drug you're currently taking, your plan must either:

- A) provide written notice to you at least 60 days prior to the date the change becomes effective or
- B) at the time you request a refill, provide written notice of the change and a 60-day supply of the drug under the same plan rules as before the change.

## HOW CAN YOU SAVE ON DRUG COSTS?

If you meet certain income and resource limits, you may qualify for Extra Help from Medicare to pay the costs of Medicare prescription drug coverage.

	Yearly Income (in 2015)	Resources (in 2015)	Countable Resources
Single	\$17,655	\$13,640	Money in a checking or savings account, stocks, bonds
Married	\$23,895	\$27,250	Same as above

New figures are from <http://www.medicare.gov/your-medicare-costs/help-paying-costs/save-on-drug-costs/save-on-drug-costs.html>.

You automatically qualify for Extra Help if you have Medicare and meet any of these conditions:

- Have full Medicaid coverage
- Get help from your state Medicaid program paying your Part B premiums (in a Medicare Savings Program)
- Get Supplemental Security Income (SSI) benefits

\*In 2014, drug costs for most people who qualify were no more than \$2.55 for each generic/\$6.35 for each brand-name covered drug.

## WHAT IS THE MEDICARE PART D LATE ENROLLMENT PENALTY?

The late enrollment penalty is an amount added to your Medicare Part D premium. You may owe a late enrollment penalty if, at any time after your initial enrollment period is over, there's a period of 63 or more days in a row when you don't have Part D or other creditable prescription drug coverage.

## WHAT IS A MEDICARE PRESCRIPTION PLAN COVERAGE GAP?

Most Medicare Prescription Drug Plans have a coverage gap (also called the "donut hole"). This means there's a temporary limit on what the drug plan will cover for drugs. Not everyone will enter the coverage gap. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs.

	The amount at which you enter the coverage gap	How much you will pay (out-of-pocket) for brand-name drugs	How much you will pay (out-of-pocket) for generic drugs
2015	\$2,960	45%	65%
2016	\$3,310	45%	58%

New figures are from:

<http://www.medicare.gov/part-d/costs/coverage-gap/part-d-coverage-gap.html>

<http://www.medicare.gov/part-d/costs/coverage-gap/more-drug-savings-in-2020.html>

Your out-of-pocket costs will help you get out of the coverage gap. If you buy brand-name drugs through a pharmacy or through the mail, the manufacturer discount payment that your plan has set with the pharmacy will count as out-of-pocket costs for you. People with Medicare who get Extra Help paying Part D costs won't enter the coverage gap.

## WHAT PAYMENTS WILL YOU MAKE THROUGHOUT THE YEAR ON A MEDICARE PRESCRIPTION DRUG PLAN?

You will pay your premium, yearly deductible, copayments or coinsurance, costs in the coverage gap, costs if you get Extra Help, and costs if you pay a late enrollment penalty.

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