

# Medicare Information Office



## Part D as in Drugs - Annual Enrollment for 2014

Alaska's Medicare Information Office continues to assist Alaska beneficiaries and caregivers with Medicare enrollment, coverage, prescription plans, claims, billing and more. We offer Alaskans these services as the federal Centers for Medicare & Medicaid Services' State Health Insurance Program (SHIP) grantee for Alaska.

We manage a busy toll-free call center based in Anchorage and have satellite offices in Anchorage, Fairbanks and Kenai, as well as dozens of trained and certified counselors around the state.

**The annual Part D enrollment period is Oct. 15-Dec. 7**, so we want to share some details about what Part D is and how it works.

### Who can get Part D coverage and when?

Anyone with Medicare Part A or B can enroll in a Part D plan. Anyone enrolling in Medicare at age 65 can enroll in a Part D plan during their initial seven-month enrollment period (three months before their birthday month, during their birthday month, and the following three months).

This initial enrollment period is not the only time a person can sign up for Part D.

### What about people younger than 65?

People who have been on Social Security Disability typically get Medicare two years after their disability benefits begin, and they also have a seven-month Part D enrollment window around their Medicare eligibility date.

### What happens during the annual sign-up period?

Everyone on Medicare who needs prescription coverage through a Part D plan may join, switch or drop plans — or totally disenroll — during an annual enrollment period from Oct. 15-Dec. 7. Please help us get the word out!

### Are there other times to enroll?

There are additional special enrollment periods for situations such as moving from one state to another, moving into or out of a nursing home, or losing employer coverage (then there's a 63-day window). Some people have prescription coverage from another source and might not need to get a Part D plan.

### How does one enroll?

Alaskans first need to pick a plan. We at Alaska's Medicare Information Office can help them compare options and find their best value, based on their prescriptions and their preferred pharmacy.

Alaskans can then enroll online or by calling Medicare or the plan they've chosen. They can also call us for help. We can fill out their enrollment application and provide supporting documentation showing coverage, costs, restrictions and their enrollment confirmation number.

## What are the basic elements of a Part D Plan?

There is a monthly premium for all plans. The federal government may pay the premium for people who get Medicaid or the Extra Help subsidy.

There may be an annual deductible. In 2014, the maximum annual deductible is \$310.

There are co-insurance and co-payment costs. These costs vary between Part D plan tiers. Details are available from [www.medicare.gov](http://www.medicare.gov) or the plan's website or phone number.

Plans often change from year to year. A plan may drop coverage of some drugs and add new premiums and copays. ***We recommend that Alaskans evaluate their prescription drug coverage each year*** to determine which plan best fits their needs for the coming year. Web-savvy folks should compare plans at [www.medicare.gov](http://www.medicare.gov) or get help by calling Medicare (1-800-633-4227) or Alaska's Medicare Information Office (1-800-478-6065) in Alaska only.

Any changes that Medicare beneficiaries make to their Part D plans during the Oct. 15-Dec. 7 enrollment window will take effect on Jan. 1, 2014.

## What about the donut hole?

The "donut hole" is a coverage gap triggered once the insured and insurer have paid a certain amount. Coverage resumes after the insured reaches a second payment threshold. This gap has been a feature of the Part D standard plan\* since Part D's beginning in 2006. Under health care reform, the gap is shrinking and is due to be discontinued altogether by 2020.

In 2014, individuals may hit the "coverage gap" if they and their plan have spent \$2,850. Once in that gap, individuals will pay 47.5 percent of the brand-name drug cost and 72 percent of the cost of a generic drug. These percentages diminish annually until 2020, when everyone will pay 25 percent of the cost of their prescriptions.

## Is there one formulary?

Each plan's formulary, or list of covered prescriptions, must include certain categories of medications. However, each Part D company sets the specific items on its formulary. Each plan will pay for some — but not all — brand-name and generic drugs in each therapeutic category. When drugs are not on the formulary, the client pays full price.

We encourage Alaskans to contact their plan to see if their drugs are on the 2014 formulary for their plan, or the plan they are considering. If not, they will have to pay the full cost of those drugs.

Certain types of drugs or drug categories are not covered by Part D plans, including over-the-counter drugs or drugs for weight problems, fertility or sexual dysfunction, or cosmetic purposes. These are known as "exclusions."

## What kinds of restrictions may apply to Part D medications?

When we assist people with enrollment we always try to avoid plans that have restrictions on the client's medications. Restrictions include step therapy, prior authorization and quantity limits.

## What if there is a billing error by the Part D company?

Everyone is responsible for carefully reviewing the Explanations of Benefit that insurance companies send out. If enrollees spot a discrepancy or suspect an error it is important to contact the Part D plan's toll-free number right away. Enrollees should have their Part D insurance card with their member I.D. number handy and the documentation in question.

\* Medicare requires all insurers that sell Part D plans to offer a "standard plan" with set minimum benefits.

## Does everyone on Medicare need a Part D plan?

While everyone should seriously think about having prescription insurance, lots of Alaskans have coverage for medications through retiree plans such as Alaska Care, their federal retirement, TRICARE for Life or Teamsters. People who receive health care services through the Veterans Affairs can typically get their medications at the VA. Likewise, people who receive health care services through a tribal health facility can get prescriptions filled there. VA and IHS beneficiaries have “creditable coverage,” which means their prescription coverage is at least as good as Medicare or better. (Veterans and tribal members who receive Medicaid must enroll in a Medicare prescription plan. However, if they absolutely do not want to, they can “opt out” by calling 1-800-MEDICARE.)

We encourage people to check with their plan each year to be sure they know what their retiree or other coverage benefits are.

If Alaskans do *not* have creditable coverage and do not sign up for a Part D plan when they are first eligible, they will incur a permanent late enrollment penalty, meaning plans will cost more when they do enroll.

People who have Medicare and Medicaid or one of the Extra Help subsidies **must** enroll in a Medicare Part D plan. Medicaid stops being the primary payer for medications once a person has Medicare.

## What is Extra Help?

Extra Help is financial assistance through Social Security. There is Full Extra Help and Partial Extra Help. The subsidies are for Part D plan premiums and co-pays.

## Medicaid and Extra Help mean low co-payment amounts

In 2014, people on Medicare and Medicaid (known as “dually eligible”) will have a co-payment of \$1.20 per generic prescription and \$3.60 per brand name drug.

Others on Full Extra Help will see co-pay levels of \$2.55 per generic and \$6.35 for brand name drugs. Those getting Partial Extra Help are responsible for a portion of the plan’s deductible and some cost-sharing. They may pay up to \$63 for an annual deductible and 15 percent of the full cost of the prescription. Each client’s situation is different, so we always check on [www.medicare.gov](http://www.medicare.gov) to look up what a person’s subsidy level is before providing assurance.

Some people who are on Medicaid and turn 65 do not realize this can be a rough transition if they have not paid attention to the notifications they’ve gotten in the mail. They may be in a crisis at the pharmacy counter. If it’s after hours in Alaska, they can call 1-800-MEDICARE. If they call us, we will look them up on [www.medicare.gov](http://www.medicare.gov) and assist them, but we will need information from their red, white and blue Medicare card to do so. In fact, we will need their Medicare number, effective dates, date of birth, and the address Social Security has on file for them. Only then can we find their record and see if they do or do not have a Part D plan.

## What plans will be available for 2014?

Please see the table at the end of this article. This article was written prior to Oct. 15 so there may be changes.

**Thank you for your questions, concerns and referrals to us from all over Alaska.**

— Judith Bendersky, MPH, gerontologist, Alaska’s Medicare Information Office program manager, **1-907-269-3669**

— Jeanné Larson, Medicare counselor and trainer, **1-907-269-3649**

# Alaska MEDICARE Part D Plans for 2014

Co. Name & Contact information	Plan Name & ID Number	Extra Help?	Monthly Premium	Annual Deductible	Coverage in Gap
Aetna Medicare 1-800-832-2640	Aetna Medicare Rx Essentials (S5810-068)	Yes	\$ 29.90	\$310	No gap coverage
Aetna Medicare	Aetna Medicare Rx Premier (S5810-204)		\$ 136.50	\$0	Few generics
Cigna Medicare Rx 1-800-735-1459	Cigna Medicare Rx Secure (S5617-227)	Yes	\$ 33.90	\$310	No gap coverage
Cigna Medicare Rx	Cigna Medicare Rx Secure-Max (S5617-245)		\$ 117.30	\$0	Many generics, some brands
Cigna Medicare Rx	Cigna Medicare Rx Secure-Xtra (S5617-279)		\$ 63.70	\$0	No gap coverage
Cigna-HealthSpring 1-800-735-1459	Cigna-HealthSpring Rx -Reg 34 (S5932-033)	Yes	\$ 29.50	\$310	No gap coverage
EnvisionRx Plus 1-866-250-2005	EnvisionRxPlus Silver (PDP) (S7694-034)	Yes	\$ 32.10	\$310	No gap coverage
Express Scripts Medicare 1-866-477-5704	Express Scripts Medicare - Choice (S5660-204)		\$ 70.60	\$0	No gap coverage
Express Scripts Medicare	Express Scripts Medicare - Value (S5660-136)		\$ 46.90	\$310	No gap coverage
First Health Part D 1-877-815-8163	First Health Part D Essentials (S5768-117)		\$ 55.10	\$310	No gap coverage
First Health Part D	First Health Part D Premier Plus (S5674-071)		\$ 95.00	\$0	Some generics, some brands
HealthMarkets Medicare 1-888-625-5531	Health Markets Value Rx (S0128-035)	Yes	\$ 30.10	\$310	No gap coverage
Humana Insurance Co. 1-800-706-0872	Humana Enhanced (S5884-094)		\$ 59.50	\$0	Few brands
Humana Insurance Co.	Humana Preferred Rx Plan (S5884-116)	Yes	\$ 22.80	\$310	No gap coverage
Humana Insurance Co.	Humana Walmart Rx Plan (S5884-180)		\$ 12.50	\$310	No gap coverage
Stonebridge Life Insurance Co. 1-800-235-9922	Transamerica MedicareRx Choice (S9579-066)		\$ 53.30	\$0	No gap coverage
Stonebridge Life Insurance Co.	Transamerica MedicareRx Classic (S9579-033)		\$ 44.10	\$310	No gap coverage
Symphonix Health 1-855-355-2280	Symphonix Value Rx (S0522-047)	Yes	\$ 29.50	\$310	No gap coverage
UniCare 1-877-541-7382	MedicareRx Rewards Standard (S5960-140)		\$ 50.70	\$310	No gap coverage
United American Insurance Co. 1-866-524-4169	United American - Select (S5755-039)	Yes	\$ 29.90	\$310	No gap coverage
UnitedHealthcare 1-888-867-5564	AARP MedicareRx Enhanced (S5921-013)		\$ 113.80	\$0	Some generics, some brands
UnitedHealthcare	AARP MedicareRx Preferred (S5820-033)		\$ 41.80	\$0	No gap coverage
UnitedHealthcare	AARP MedicareRx Saver Plus (S5921-377)	Yes	\$ 28.10	\$310	No gap coverage
WellCare 1-888-293-5151	WellCare Classic (S5967-171)	Yes	\$ 24.90	\$0	No gap coverage
WellCare	WellCare Extra (S5967-205)		\$ 57.90	\$0	No gap coverage