

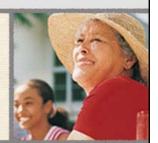
Medicare R Prescription Drug Coverage

Achieving a Healthy America

Update on Prescription Drug Coverage and Medicare Preventive Services

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Drug Coverage Enrollment

Enrollment Category	# Enrolled*
Stand-Alone Prescription Drug Plan	10.39M
Medicare Advantage with Prescription Drugs	6.04M
Medicare-Medicaid (Automatically Enrolled)	6.07M
Medicare Retiree Drug Subsidy	6.90M
Estimated Federal Retirees (TRICARE, FEHB)	3.46M
Additional Sources of Creditable Coverage	5.95M
Total	38.81M

For more information on enrollment numbers: http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/02_EnrollmentData.asp

Coverage Gap

- Coverage gap under defined standard benefit in 2006
 - Begins after reaching \$2,250 in total drug costs
 - · Initial coverage limit
 - Continues until "true out-of-pocket" (TrOOP) costs total \$3,600
- After gap, pay 5% or small copayment
 - Catastrophic coverage

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Options During the Gap

- If network pharmacy has better cash price
 - May purchase drug without using Part D card
 - Can count toward total drug spending and TrOOP
 - · Must submit documentation to plan
 - Expected to happen rarely

Options During the Gap

- Switch to generic or less-expensive brand-name drugs
 - Will reduce copayments
 - Some plans may cover generic drugs in gap
 - Will help maximize savings
 - May also avoid reaching the gap

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Options During the Gap

- Explore other available assistance
 - Low-income subsidy from Medicare (extra help)
 - State Pharmacy Assistance Programs (SPAPs)
 - AIDS Drug Assistance Programs
 - Charities
 - Patient Assistance Programs (PAPs)
 - Employer/group health plans

SSA Premium Withhold

- Generally 2 months before premiums are withheld
 - Two monthly premiums withheld from first payment
- Premiums won't be deducted if
 - More than 3 months delay or
 - Monthly Social Security benefit isn't enough to cover multiple premium payments at once
- Plan will contact to make other arrangements

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Premium Overpayments

- SSA will automatically refund overpayment
 - Separate check
 - May take 2 3 months
- People who get extra help and pay reduced or no premiums
 - May have chosen a plan with a premium
 - Some plans mistakenly sent bills
 - Plans are to wait for correct amount from CMS
 - · Plans are not to disenroll for non-payment
 - · If bill was paid, call plan and plan will refund

People Who Qualify for Extra Help

- Nearly 9.3 million as of June 2006
 - About 7.5 million automatically qualify
 - About 1.8 million applied with SSA
 - Small number applied with state Medicaid agency

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How People Qualify for Extra Help

People with Medicare and	Basis	Data Source	Changes During the Year	
Medicaid benefits • Full Medicaid benefits • Medicare Savings Program	Automatically qualify	State files	Qualify for a full calendar yearGenerally only favorable changes will	
SSI benefits		SSA	occur	
No Medicaid or SSI benefits	Must apply	SSA (almost all) or states	 Some events can impact status through the year Extra help can increase, decrease, terminate 	

Extra Help Redeterminations for People Who Automatically Qualify in 2006

- Starting August 2006, CMS will redetermine eligibility for calendar year 2007
 - Full-benefit dual eligibles
 - Medicare Savings Program participants
 - SSI recipients
- Changes become effective January 1, 2007
- Those currently eligible still qualify through December 31, 2006
 - Even if don't automatically qualify for 2007

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2007 Changes in Standard Benefit

Benefit Parameters	2006	2007
Deductible	\$250	\$265
Initial Coverage Limit	\$2250	\$2400
Out-of-Pocket Threshold	\$3600	\$3850
Total Covered Drug Spend at OOP Threshold	\$5100	\$5451.25
LIS Copayments	2006	2007
Institutionalized	\$0	\$0
Up to or at 100% FPL	\$1/\$3	\$1/\$3.10
Other LIS	\$2/\$5	\$2.15/\$5.35

Medicare Plan Finders

- Medicare Prescription Drug Plan Finder
 - 2007 plan data available October 12, 2006
 - 2006 plan data available through December 31, 2006
 - Performance metrics for 2006 plans beginning November 15, 2006
 - Improved usability
- Medicare Personal Plan Finder
 - Major redesign, may be renamed
 - · Will look more like drug plan finder
 - · Will have personalized search option

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Medicare Preventive Services

Medicare Helps You Stay Healthy

- Benefits for disease prevention and early detection
- Coverage based on your
 - Age
 - Gender
 - Medical history
- Covered by
 - Part B of Original Medicare
 - Medicare Advantage and Other Medicare Plans

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Closing the Prevention Gap

- The "prevention gap"
 - Not all people with Medicare take full advantage of preventive services
- Closing the gap could
 - Ensure people take advantage of these benefits
 - Save many thousands of lives
 - Avoid billions of dollars in medical expenses for preventable medical conditions

New Preventive Services

- Added in the last 2 years
- "Welcome to Medicare Exam"
 - Initial preventive physical examination
- Cardiovascular screening blood tests
- Diabetes screening tests
- Smoking and tobacco use cessation counseling
- Diabetes self-management training
- Glaucoma screening for Hispanic Americans age 65 or over

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Preventive Benefits New in 2007

- Beginning January 1, 2007
 - Ultrasound screening for abdominal aortic aneurysms
 - No deductible for colorectal cancer screening
 - · Previously subject to Part B deductible



Part D Annual Enrollment

- Part D plan marketing will begin in October
- 2007 Annual enrollment November 15 -December 31, 2006
- Effective date January 1, 2007

For More Information

- Visit www.cms.hhs.gov
- Call 1-800-MEDICARE
- Call State Health Insurance Assistance Program (SHIP)
 - Call 1-800-MEDICARE (1-800-633-4227) for SHIP telephone number
 - TTY users should call 1-877-486-2048

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