

SPECIAL REPORT

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Helping Elders and Their Families

Quick Facts about Medicare's New Coverage for Prescription Drugs

Starting January 1, 2006, Medicare will offer prescription drug plans to help you pay for the prescriptions you need. **If you don't join a Medicare prescription drug plan by May 15, 2006,** you will pay a higher premium unless you have drug coverage, that, on average, is at least as good as standard Medicare prescription drug coverage (such as from a former employer or union). Your insurer will notify you before fall to let you know if your coverage, on average, is at least as good as standard Medicare prescription drug coverage.

What do I need to know?

- To get Medicare prescription drug coverage, you must choose and enroll in a Medicare prescription drug plan.
- You can first enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006.
- If you join by December 31, 2005, your coverage will begin January 1, 2006.
- If you join, your costs will vary depending on which plan you choose. In general, you pay a monthly premium (generally around \$37 in 2006) and a yearly deductible (up to the first \$250 in 2006). You will also pay a share of your prescription drug costs, and your plan pays a share. Medicare helps pay for drugs up to a limit (\$2,250 in total) and once your total out-of-pocket cost for drugs reach \$3,600, you pay 5% of the costs and Medicare pays 95% of the costs for the rest of the year.
- Many people with limited income and resources will get extra help paying for their prescription drug coverage. People with the lowest incomes and resources will get the most help. If you are in this group, you will get information in the mail this summer from the Social Security Administration (SSA) or from Medicare telling you what to do.

What if I already have prescription drug coverage?

If you already have prescription drug coverage through your Medicare private health plan or other insurance, check with your current plan to see if this coverage is changing.

Unless you have other drug coverage that is, on average, at least as good as standard Medicare prescription drug coverage, it's important for you to join a Medicare prescription drug plan when you are first eligible. For most people, joining when you are first eligible means you will pay a lower monthly premium than if you wait to join until later.

How can I get more information?

Detailed information will be available in **October 2005**. You can look at the “**Medicare & You 2006**” handbook, visit www.medicare.gov on the web or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. For more information on who can get extra help with prescription drug costs and how to apply, call SSA at 1-800-772-1213 or visit www.socialsecurity.gov on the web.