

Medicare Prescription Drug Coverage:

Open Enrollment A Good Time to Review Your Coverage

Open enrollment for Medicare Part D Prescription Drug Coverage is Nov. 15 - Dec. 31, 2008. Before selecting a prescription drug plan (PDP) or changing your coverage, the National Association of Insurance Commissioners (NAIC) offers this information to help you get smart about your insurance options.

What are Medicare prescription drug plans?

In 2003, the federal government enacted a Medicare prescription drug benefit for Medicare beneficiaries. Private insurance companies sell Medicare Prescription Drug Plans (PDPs) or Medicare Advantage plans approved by Medicare. Everyone with Medicare is eligible to enroll in Medicare prescription drug coverage, regardless of income or assets, and coverage is voluntary.

What if I am already enrolled in a Medicare prescription drug plan?

Plan features might change from year to year. So, carefully examine all available plans during each annual enrollment period, because your current plan may no longer best meet your needs. Be sure to check the features of your plan, including the list of drugs covered, the premium, deductible, and cost-sharing you pay, and any coverage gap. If you are satisfied with your current plan, you do not need to do anything to keep your plan. If you take no action, you will remain in your current plan. If you enroll in or make changes to your plan during the annual enrollment period, your new coverage automatically begins Jan. 1, 2009.

What if I am enrolled in a Medicare Advantage Plan with prescription drug coverage?

Medicare Advantage plans might also make changes to important features of your plan from year to year, including the list of drugs covered, the premium you pay, deductibles and cost-sharing requirements, and provider networks. Carefully review your plan options during each open enrollment season. If you take no action, you will automatically remain in your current plan.

What if I already have prescription drug coverage?

A Medicare prescription drug plan might provide more coverage than a Medicare supplement insurance (Medigap) policy or employer-provided prescription drug coverage that you may currently have. If Medicare considers your existing coverage to be "creditable" – meaning, coverage that is as good as the standard Medicare prescription drug coverage benefit – you are permitted to keep your current coverage without incurring future penalties. Check with your employer or Medigap plan before dropping an employer-provided prescription drug coverage or Medigap plan because you may not be able to get it back. If you do not enroll in a Medicare drug plan when you are first eligible for Medicare, and you don't have other creditable prescription drug coverage, you may be subject to a penalty if you decide to enroll at a later time.

What are my options if I want to enroll in a Medicare prescription drug plan?

You can enroll in a stand-alone prescription drug plan (Medicare Part D) or you can choose a Medicare Advantage plan (Medicare Part C) that includes a drug benefit.

Compare plans and select the one that best meets your individual needs annually. Here are a few things to consider:

- See if all of your prescriptions are on the plan's list of drugs (called a formulary).
- Check to see if your preferred pharmacy is on the list.
- Find out what co-payments you will be responsible for paying when filling a prescription.
- Are the premium, deductible, and cost-sharing requirements for your preferred plan affordable?
- Is there a coverage gap where you are responsible for all of the costs, and is this affordable?
- If it is a Medicare Advantage plan, what are the network rules and will your current providers be covered?
- How does enrollment in the new plan impact coverage you may already have (including employer-sponsored prescription drug coverage or a Medigap plan) or your enrollment in traditional Medicare.

New Marketing Rules

Beginning Oct. 1, 2008, new federal rules are in place to protect consumers against abuses in the marketing and sales of Medicare prescription drug plans and Medicare Advantage plans. According to these new rules, individuals who contact you about any type of private Medicare coverage:

- Must be licensed by the state. Check with your state's insurance department to make sure the salesperson is a licensed agent. Find a link to your state insurance department's Web page at www.naic.org/state_web_map.htm.
- May not make unsolicited contacts with prospective beneficiaries, such as door-to-door sales, cold calls or approaching you in a parking lot.
- Must have an appointment in advance before coming to your home.
- Must arrange with you in advance the type of products that will be discussed during a scheduled sales appointment. At the appointment, the salesperson may not try to sell you other types of insurance coverage other than the type(s) agreed upon in advance.
- May not try to sell you non-health care related products (like a life insurance policy or an annuity) during a sales or marketing presentation of a Medicare prescription drug or Medicare Advantage plan.
- May not attempt to sell you a plan in certain health care settings, such as in a doctor's office or in a pharmacy.
- May not attempt to sell you a plan at an educational event.
- May not offer you free meals at promotional or sales events.
- May not offer you gifts or other promotional items whose value is in excess of \$15.

Medicare Fraud

Unfortunately, not everyone who contacts you about switching to a Medicare drug plan has the best intentions. To protect yourself from scam artists intent on taking advantage of your situation, here are some additional tips to avoid becoming a victim:

- Beware of door-to-door sales people. Agents cannot solicit business at your home without an appointment. Do not let uninvited agents into your home.
- Check with your state's insurance department to make sure the salesperson is a licensed agent.
- Do not give out personal information, such as Social Security numbers, bank account numbers or credit card numbers to anyone you have not verified as a licensed agent. People are not allowed to request such personal information in their marketing activities and cannot ask for payment over the Internet. They must send you a bill. Once you decide to purchase a plan and have verified that the agent is licensed, you may give the agent personal information to assist in enrollment and billing.
- Verify that the plan you have chosen is an approved Medicare plan. All of the approved plans are available at www.medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227).

Other Important Considerations

Federal assistance with premiums will be available to Medicare beneficiaries who meet certain income requirements. Medicare beneficiaries may seek assistance in reviewing options for coverage and obtaining financial assistance by contacting their State Health Insurance Assistance Program (SHIP). Go to the NAIC Web site

(www.naic.org/state_web_map.htm) to link to your state insurance department.

More Information

For more information about your Medicare prescription drug options including an online Medicare Prescription Drug Plan Finder, go to www.medicare.gov.

Find more information about your changing insurance needs and tips for choosing the coverage that is best for your and your family at www.InsureUOnline.org.

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