

Medicare Part D Is Here... Are You Ready?

Common questions about Medicare Part D, such as Medicare eligibility, included drugs, enrollment, and more.

What are the benefits of Medicare Part D?

If you've been paying cash for your prescriptions, Medicare Part D will save you money. Each provider's plan must be approved by Medicare, which means you have the security of reliable prescription insurance, no matter which plan you choose.

What if I cannot afford insurance?

If you're worried you will not be able to afford a Medicare Part D drug plan, you may qualify for extra help. Contact your local Social Security Administration office for details, visit the agency online at www.ssa.gov/prescriptionhelp/ or call 1-800-772-1213. You may also qualify for other drug discount programs. Talk to your Network Pharmacy pharmacist for more information.

Is enrollment voluntary?

Yes. However, the longer you wait to sign up, the higher your premium will be. If you don't sign up for a Medicare Part D plan by May 15, 2005, you will pay a 1 percent penalty per month -- up to a 12 percent penalty for each year—you wait before signing up. So if you think you might need Medicare Part D later, you could save by signing up now. (If you are currently covered by a prescription drug plan through your employer, this may not apply to you.)

What if I want to switch plans after enrolling?

No problem. Every year there will be an open enrollment period from November 15 through December 31. You may change Medicare Part D plans at that time.

Where can I get my prescriptions filled?

At any Network Pharmacy within our network. Most Medicare Part D plans will charge the same co-pay. Each Network Pharmacy will have several Pharmacy Drug Plan options, to choose from that offers the services and convenience that best meet your healthcare needs. You'll get all of that and more at NETWORK Pharmacies.

How can Network Pharmacies help?

Our pharmacists are a great source of information. They'll explain how the Medicare Part D program works, walk you through different plans, help you compare plans, and answer any other questions you may have. We also have brochures and pamphlets you can take home with you and read through.

Why is there a late enrollment fee?

Congress believes that unless you already have creditable prescription drug coverage, Medicare Part D plans are a great way to help you with the cost of prescription drugs. They crafted the rules to encourage people to enroll in the beginning instead of waiting to join only when health problems develop and drug costs rise. The late enrollment fee gives people a reason not to postpone the decision to join.

Who is eligible for Medicare Part D prescription drug coverage?

All individuals with Medicare Part A or Medicare Part B are eligible to enroll regardless of age, income, or health conditions.

How do I know if I should sign up?

You will need to review your options carefully to see if a Medicare

Part D plan is right for you. Part D plans are designed to provide financial savings to most people with Medicare. As insurance plans, they provide protection against future, unexpected costs. They also provide additional financial assistance for people with lower incomes.

How do I get the specific information I need to make a decision?

In October 2005, you will begin to receive specific information about the options available to you. First, you will receive the 2006 Medicare & You handbook from CMS, which will include all the plans available in your area. Second, in October, 2005, the plans will begin releasing specific plan information, including plan costs, the list of covered drugs (formulary), and the list of network pharmacies. Information will also be available at www.Medicare.gov, the Medicare Web site.

How do I find out if I qualify for help?

If you have both Medicare and Medicaid, you already qualify for low-income assistance. If you don't qualify for Medicaid, you may still qualify for some assistance if your income is below \$14,355 for an individual or \$19,245 for a couple. (Examples of 2005 figures; figures will also vary in Alaska and Hawaii.) In some cases, the government will also review the value of the assets you own. If you think you might qualify, contact your local Social Security Administration office. You have nothing to lose by applying.

What assets will be counted to determine if I am eligible for help?

The assets that will be counted include cash or any property that can be converted to cash within 20 days. This includes checking accounts, savings accounts, certificates of deposit, retirement accounts (like IRAs or 401ks), stocks, bonds, mutual fund shares, promissory notes, mortgages, and life insurance policies. Property that is not counted includes your primary home, burial plots and burial agreements. Certain funds set aside for burial expenses, up to \$1,500, will also not be counted.

Can I change Medicare Part D plans once I have enrolled?

Yes, you can change your Part D plan. The opportunities to switch are:

Annual enrollment: Each year, you will be able to choose a different Medicare Part D prescription drug plan or Medicare Advantage plan during an annual enrollment period that lasts from November 15 through December 31. Coverage under the new plan will begin the following January 1.

Other exceptions: There are other limited exceptions that may give you the right to switch plans during a year. For example, if you move out of the service area of your current plan, you will have an opportunity to choose another plan that serves your new area.

How will I know if the drugs I currently take will be covered?

Each Medicare Part D plan will provide its own formulary or list of covered drugs. This information will be available through the plan's Web site, customer service center and through marketing materials.

Who decides which drugs will be covered on a formulary?

All Part D plans must meet formulary requirements set by Medicare. The formulary will include both generic and brand name drugs. Each plan must use a Pharmacy and Therapeutic Committee, which includes doctors and pharmacists, to establish its formulary. This process assures you access to a number of drugs, although not necessarily all drugs.

What drugs are excluded from Medicare Part D plans?

The drugs excluded from Part D by Medicare are:

Drugs used for anorexia, weight loss, or weight gain

Drugs used to promote fertility

Drugs used for cosmetic purposes or hair growth

Drugs used for the symptomatic relief of cough and colds

Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations

Non-prescription drugs

Inpatient drugs

Barbiturates (sleeping pills)

Benzodiazepines (central nervous system depressants)

In addition, a drug cannot be covered under a Medicare Part D plan if payment for that drug is available under Parts A or B of Medicare, such as drugs administered in a hospital or a physician's office. Also, each Part D prescription drug plan may have its own specific exclusions.

Will Medicare Part D cover drugs purchased from Canada?

No. Only drugs sold in the United States are eligible for Part D coverage.

Can premiums be deducted from Social Security checks?

Yes, you will have the option to have the premium deducted from your Social Security check (just like your Medicare Part B premium). If applicable, you or your former employer can pay your premium directly to the private company.

What is creditable coverage?

Creditable coverage is coverage from a plan other than a Medicare Part D plan that meets certain Medicare standards. If you currently have prescription drug coverage that is considered creditable coverage, you may keep that coverage and wait to enroll in a Part D plan. If you later decide to enroll in a Part D plan, you will not have to pay a late enrollment fee.

Will Part D coverage only be available through a private company, or will I be able to get coverage directly from Medicare, the same way that I get Part A and Part B coverage?

No, Part D coverage will not be available directly from Medicare. Although you will be able to have your premium deducted from your Social Security check, you must purchase Part D coverage from a private company that has been approved by Medicare to offer coverage.

I have drug coverage through the Department of Veterans Affairs. Can I continue to get my prescriptions through the VA in 2006?

Medicare beneficiaries who currently have prescription drug benefits through the VA will be able to continue to obtain their prescriptions through the VA.

If I live in the U.S. territories, will I have access to a Medicare Part D plan?

Yes, Medicare Part D plans will be available in the U.S. territories.

I take several different prescription drugs. Will there be help with managing all my medications?

Yes, one of the advantages of Medicare Part D plans is that there will be help managing drugs for people who take multiple medications, have chronic diseases, such as diabetes or heart disease, and have high drug costs. The help is designed to make sure that your medications work well together and reduces the risk of a bad reaction. You might also hear this called medication therapy management.

10 things you should know about Part D prescription coverage.

Need a quick guide to Part D prescription drug benefits?

1. Open to all people with Medicare

Part D plans are open to everyone who's eligible for Medicare in the U.S. and U.S. territories. Generally, that means people who are 65 years old or older, and some younger people with certain disabilities. You cannot be denied coverage for health reasons. You get to decide if you want to enroll or not. If you have Medicaid, you will be enrolled automatically if you have not selected a plan by 2006, so there is no lapse in your Medicaid prescription drug coverage. The first enrollment period starts November 15, 2005, for coverage beginning January 1, 2006. There will be annual enrollment periods from then on. If you decide to join later, your monthly premiums may be higher because there's an additional fee for late enrollment.

2. Pay to participate

Participation has a cost and you will pay a portion. Typically, the government pays about 75 percent of the enrollment costs of the plan. You pay the rest.

3. Safety net and peace of mind

All the Medicare Part D plans are private insurance plans. Most participants will pay monthly premiums. That premium buys you the peace of mind of knowing that if your drug costs become very high, you will be protected.

4. Discounted prices

If you join a Medicare Part D plan, and use its network pharmacies, you'll have access to discounted prices. Plans will negotiate lower prices with drug companies and pass those savings along to you. So when you pay for drugs within the plan, you'll have access to discounted prices even when you are responsible for 100 percent of the payment.

5. Choices in plans

You'll have choices in plans. All Medicare Part D plans will be run by private companies. Companies will release details of their plans after October 1, 2005. Although all plans must meet the government's requirements, there will be differences between plans, including what drugs are covered and what pharmacies you can use. Some plans may offer mail-order service. You will want to see which one is best for you. You'll be able to change plans once a year.

6. Two kinds of plans

Plans will come in two basic types. The most simple is a prescription drug plan (sometimes called a PDP), which covers only drugs and can be used with your traditional Medicare and/or a Medicare supplement plan. The other type combines a prescription drug plan with a Medicare Advantage plan that includes medical coverage for doctor visits and hospital expenses. This kind of plan is called Medicare Advantage plus Prescription Drug, or MA-PD.

7. Enroll late, pay more

Enrollment for Medicare Part D benefits begins November 15. Just like other types of insurance plans, the longer you wait, the higher your premium may be. If you are eligible, and don't sign up during the initial enrollment period, which ends on May 15, 2006, you may pay more if you sign up later. The late enrollment fee is approximately one percent of your premium for each month you delay, and you'll pay it for as long as you stay in a Medicare Part D plan. If you're late because you were participating in a qualified prescription drug plan, such as a plan from your former employer, the fees may not apply to you.

8. Choose drugs from a formulary

Each Part D drug plan will have a government-approved list of drugs it covers—called a formulary, or a preferred-drug list. The formulary may vary from plan to plan, but you and your doctor will have choices. Before you choose a plan, you'll probably want to compare plan formularies to see which one fits your needs best.

9. No free drugs

Don't expect free drugs. For each prescription, you'll pay a portion of the cost. The plan will help you with some of the costs. How much you pay and how much the plan pays varies.

10. Extra help for people who need it

People with lower incomes get extra help through Medicare Part D. Premiums may be reduced or eliminated, and other payments may be less.



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