



SENATOR GEORGE VOINOVICH

How The New Medicare Prescription Drug Benefit Helps You



Older Americans are simply paying too much for their prescription drugs. That's why Senator George Voinovich helped pass the Medicare Modernization Act (MMA) in 2003 to make prescription drugs more affordable for seniors.

Medicare is the federal government's health care program for people over 65 and people with disabilities, including more than 1.7 million Ohioans. Medicare's new prescription drug benefit is **completely voluntary** and will help those who choose to enroll in it pay for their prescription drugs. The new program will be a big help to Ohio seniors on Medicare who have no prescription drug coverage. It will also be a big help to low-income seniors and those with catastrophically high drug costs. Yet, the program will be available to all Medicare beneficiaries, and Senator Voinovich encourages eligible seniors to carefully consider how the plan can help them with the cost of their drugs.

For seniors who already have drug coverage, through such means as a former employer or the Veterans Administration, this new law supports and helps protect that existing coverage. If seniors are already in prescription drug plans they like, they can stay in them if they choose.

The legislation creating the new Medicare prescription drug benefit was supported by AARP and over 300 patient groups and health care organizations, including the Easter Seals, the American Medical Association, and the Ohio State Medical Association. The following brochure outlines the new program and answers frequently asked questions.

You can also find additional information by turning to these resources:

- **1-800-MEDICARE (633-4227), www.MEDICARE.gov, TTY 1-877-486-2048**
- **Ohio Senior Health Insurance Information Program (OSHIIP):**
1-800-686-1578, www.ohioinsurance.gov/prescriptiondrugs/index.asp
- **Senator Voinovich/Senator DeWine Casework Office: 1-800-205-6446**

The Prescription Drug Benefit Begins in 2006

On January 1, 2006, the voluntary prescription drug benefit will begin. Under the new benefit, all seniors will be able to choose from a variety of plan options to best meet their prescription needs. All drug plans are required to provide coverage at least as good as the standard Medicare plan (explained in the chart on the next page).

Yet, other plans may have lower premiums or deductibles with higher cost sharing for the actual cost of prescriptions. Others may offer coverage well above the standard Medicare plan with a higher monthly premium. There are two types of Medicare plans that offer coverage for prescription drugs under Medicare: 1) coverage will be offered as part of Medicare Advantage

(MA) and other Medicare Health plans, including Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs); or 2) prescription drug plans (PDPs) can be added to a senior's Medicare Part A and B. These plans are also called Medicare Part D.

In Ohio, at least 17 companies will offer approximately 43 PDPs, and 14 companies will offer a variety of MA plans. In order to make a decision about the plan that is right for them, seniors should consider:

- Whether the plan **COVERS** the brand-name and generic drugs they currently take;
- The total **COST** of the monthly premium and their share of the cost of each medication as compared to their current drug costs;
- Whether the pharmacies in the plan are **CONVENIENT** to their home; and
- **FUTURE** prescription drug needs. Remember, the plan can provide security against high prescription costs that seniors may encounter as they get older.

Extra Help For Seniors Who Need It Most

In 2006, when the prescription drug benefit begins, those seniors who are least able to pay for drugs will receive special assistance.

Beneficiary Eligibility	Premium	Deductible	Co-payment Per Prescription	Co-payment after Catastrophic Spending Limit
<i>*2005 Income Levels</i>				
Seniors who qualify for both Medicare and Medicaid	\$0	\$0	\$1 for generic and \$3 for brand-name drugs	\$0
Seniors with incomes below \$12,920 (single) and \$17,321 (married)	\$0	\$0	\$2 for generic and \$3 for brand-name drugs	\$0
Seniors with incomes between \$12,920 and \$14,355 (single) and \$17,321 and \$19,245 (married)	Discounted on a sliding scale	\$50	15 percent co-payment	\$2 generic and \$5 for brand-name
Standard Plan: Seniors with incomes above \$14,355 (single) and \$19,245 (married)	\$32 on average	\$250	25 percent of drug spending to a total of \$2,250 100 percent from \$2,250 to \$3,600 in out-of-pocket cost	5 percent

***All low-income seniors should have received information about special assistance and an application from the Social Security Administration and Medicare. If you didn't receive this information and think you are eligible, call 1-800-MEDICARE (633-4227) or visit www.MEDICARE.gov or www.ssa.gov to determine eligibility.**

Relief Now: Drug Discount Cards Available

Some Medicare beneficiaries are currently saving 10-25 percent on their prescriptions through the Medicare Drug Discount Card. However, the cards are only a temporary way to help seniors pay for their prescriptions until the comprehensive benefit begins on January 1, 2006. Seniors without any other drug coverage or whose income will be less than \$12,920 single/\$17,321 couple in 2005 have received additional assistance through the card program to help pay for prescription drugs. They, like all seniors, can use this card until May 15, 2006, or until they enroll in a full prescription drug plan.

Answers to Frequently Asked Questions

Will I be able to keep my prescription drug coverage from a former employer?

Yes, you will. The new Medicare prescription drug benefit is completely voluntary, so you can stay in a private plan if you have one now that you like, or, if you choose, you can switch to the new Medicare plan. Seniors receiving drug coverage through the VA can remain in that plan also if they choose.

Under the law, employers or retirement systems that agree to continue to offer credible coverage will receive a 28 percent federal subsidy to assist with their retiree drug costs. In fact, as a result of this subsidy, the Ohio Public Employees Retirement System told Senator Voinovich that they will save \$60 million per year that will be returned to their health care fund to ensure that their retirees will have health care well into the future.

If you currently have drug coverage through a former employer, you should receive information in the mail from the employer this fall that will compare your current insurance and the new benefit. If your coverage is at least as good as the new Medicare benefit, you can keep your current plan. Under this circumstance, should you decide to join a Medicare plan at a later time, your monthly premium will not be higher. However, if the retiree or private plan you currently have is not at least as good as the new Medicare plan, and you delay enrollment in Medicare, you will have to pay a higher monthly premium later should you decide to enroll. For this reason, it is very important for you to find out how your employer-sponsored plan compares with the Medicare plan.

How much money could I save?

Beginning in 2006, seniors will save a significant amount on their out-of-pocket prescription drug costs. For instance, under the standard plan, Medicare beneficiaries who were paying \$200 per month for their prescriptions (\$2,400 per year) will pay about \$1,313 less under the new program – a savings of 55 percent.

Seniors with extremely high prescription drug costs will save even more. For instance, Medicare beneficiaries who were paying \$1,000 per month for their prescriptions (\$12,000 per year) will save approximately \$7,755 – a savings of 65 percent.

Can I get cheaper drugs in Canada?

Senator Voinovich believes that no one should have to go to Canada, or any other foreign country, to find affordable drugs, which is why he supported the new voluntary Prescription Drug Benefit. However, he also believes that seniors should have full access to every option for saving money without compromising the safety or authenticity of those drugs. That's why Senator

Voinovich is urging the administration to regulate the safety of drugs imported to the U.S., and why he has also cosponsored the Safe IMPORT Act to create such a system. While the bill does not guarantee that Americans will always save money by buying drugs from other countries, it would make it possible for Americans to have access to a variety of choices and ensure that they get safe and effective medicines.

How does MMA help control the costs of prescription drugs?

The new Medicare plan does more to control drug costs than any other bill in recent history. Together, seniors will harness the buying power of more than 40 million older Americans to get the best prices for their drugs. Because the new law closes a loophole that allowed some drug companies to extend their patents in order to block generic competitors, safe low-cost generic drugs will now enter the market more quickly.

Why does MMA bar the U.S. government from negotiating lower drug prices?

The bill prevents the federal government from interfering with the many different competing prescription drug plans that will be negotiating with drug companies to get the lowest prices for seniors. Competing plans will work to try to negotiate prices lower than each other in order to attract the most seniors. Seniors benefit from this type of competition by getting more choices and lower prices. The independent Congressional Budget Office has found that when many different private-sector plans compete to offer the lowest prices, they are more successful at controlling costs than a government-controlled benefit.

What other new benefits does the Medicare Modernization Act provide?

As a part of the Medicare Modernization Act, all Medicare beneficiaries now have access to new benefits to help them maintain healthier lives. One of the most important new additions is the "Welcome to Medicare" physical exam, which is now available to all seniors as soon as they become eligible for Medicare. This exam provides education and counseling about the preventive action that seniors can take to eliminate and manage their diseases. In addition to the initial physical, new medical screenings for specific chronic conditions like heart disease and diabetes, as well as for weak bones, glaucoma, and cancers of the colon, breast, cervix, and prostate have been added to Medicare.

The New Voluntary Prescription Drug Benefit Time-Line

- **May-August 2005:** Low-income seniors received information and applications for the low-income subsidy from Medicare, the Social Security Administration, and the state Medicaid office.
- **October-November 2005:** Retiree plan sponsors must contact their beneficiaries with information about how the plans they sponsor compare to Medicare.
- **October-November 2005:** All Medicare beneficiaries received a *Medicare and You* handbook in the mail with information about plans in their area.
- **November 15, 2005:** Beneficiaries enrollment began.
- **January 1, 2006:** Coverage begins for enrolled beneficiaries.
- **May 15, 2006:** The initial enrollment period ends.