

# Elder Basic Benefits Training

## Medicare Part D and Prescription Advantage

April 30, 2024

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**Medicare Advocacy Project**

Protecting your medicare rights.



**Community  
Legal Aid** CENTRAL AND  
WESTERN MA

# Session Objectives

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- Understand how Medicare Part D differs from other parts of Medicare;
- Recognize appealable events;
- Become familiar with financial assistance options; and,
- Identify referral possibilities

# Medicare Overview



**Part  
A**

**Part  
B**

**Part  
C**

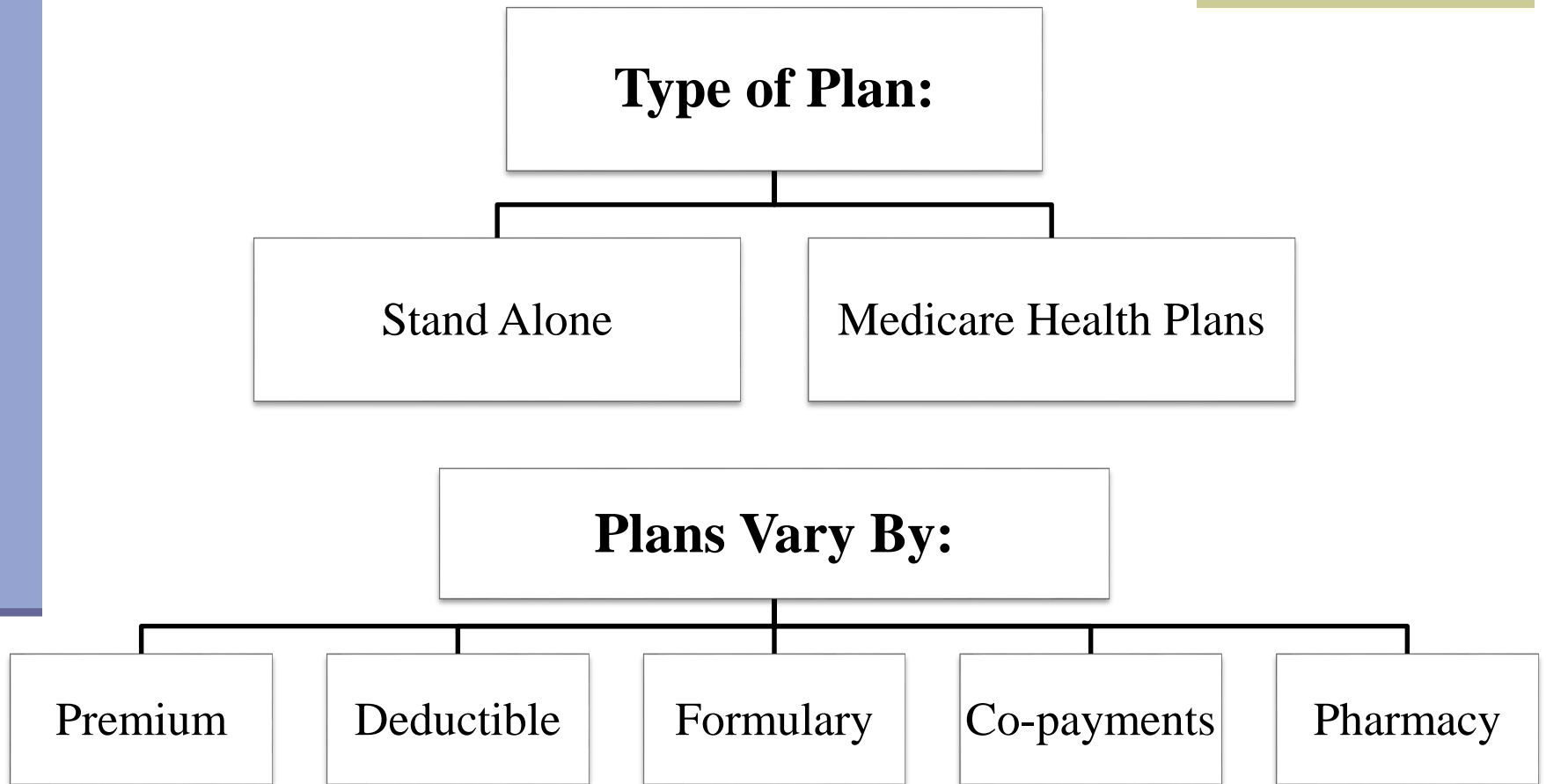
**Part  
D**

# Why is Medicare Part D Different?

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- Newest part of Medicare – January 1, 2006
- “Voluntary” Coverage – but...
  - Penalty for late enrollment
  - “Dual Eligibles” (Medicare/Medicaid) are assigned a plan

# Why is Part D Complicated?



# Part D Enrollment

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## ■ **Initial Enrollment Period:**

- When you first become eligible for Medicare

## ■ **Open Enrollment Period:**

- Can join, switch, or cancel coverage from October 15 – December 7, with coverage effective the following January 1

# Part D Enrollment, Continued

- **Special Enrollment Periods:**
  - Move out of current plan's service area
  - Lose “creditable coverage”
    - “Creditable” = at least as good as Part D coverage
  - Dual eligible or receive low-income subsidy\*
  - Released from jail or certain long-term care facilities
  - Once annually if in a state pharmacy assistance program
  - If you want to enroll in a “five-star” Part D plan

# Part D Enrollment, Continued

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- For those who are dual eligible or receive the low-income subsidy:
  - Can enroll or disenroll from a Medicare plan or Part D plan once per quarter.
    - First three quarters: change effective the first day of the following month.
    - During the fourth quarter, dual eligibles and LIS recipients must make changes during the Annual Enrollment Period (Oct. 15 – Dec. 7), with changes becoming effective January 1 of the following year.



# Part D Enrollment, Continued

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- Generally, enroll when:
  - New to Medicare and no creditable coverage of prescription drugs from another source; or,
  - Lose creditable coverage
- Failure to enroll and not have creditable coverage for 63 days or more = premium penalty of 1% of national base premium for each full, uncovered month
- Enroll by calling Medicare or the plan

# Calculating Premium Penalties

- Ada Alpha became eligible for Medicare as of February 2020. However, she did not have creditable prescription drug coverage until she enrolled in Medicare Part D as of January 1, 2023. What penalty will be added to her monthly premium?
  - February 2020-January 2024 = 47 months.
  - 47 months is equal to or longer than 63 days.
  - The 2024 national base premium is \$34.70.
  - $47 \text{ months} * 1\% * \$34.70 = \$16.309$
- Rounding to the nearest dime, Ada will pay an additional **\$16.30** each month for her Part D coverage.

# Calculating Premium Penalties

- Bruno Beta became eligible for Medicare as of November 2023. However, he did not have creditable prescription drug coverage until he enrolled in Medicare Part D as of January 1, 2024. What penalty will be added to his monthly premium?
  - November 2023-January 2024 = 2 months.
  - 2 months is NOT equal to or longer than 63 days.
- Bruno will not have to pay anything additional as a premium penalty for his Part D coverage.

# What Does Part D Cover?



## Will cover:

- At least two drugs in each class of drugs used to treat the same medical condition
- Most:
  - Antidepressants
  - Antipsychotics
  - Anticonvulsants
  - Antiretrovirals
  - Immunosuppressants
  - Anticancer drugs



## Will not cover:

- Fertility
- Erectile dysfunction
- Weight problems
- Cosmetic uses
- Over-the-counter

**Other rules apply that may impact whether a medication is covered.**

# Coverage Limitations

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Plans may impose **utilization controls** such as prior authorization, quantity limits, and/or step therapy.

**Exceptions:** Beneficiaries have the right to ask their plan to cover a drug it doesn't normally cover, or to waive a restriction on a drug. If denied, the beneficiary can appeal.

# Part D Costs for Members: The “Standard Benefit”

Annual  
Deductible

- Up to \$545 in 2024

Initial  
Coverage  
Period

- During this period, the plan pays 75% and the member pays 25%

Coverage  
Gap

- Starts once **the plan** and **the member** have paid \$5,030 in total costs
- Member pays 25% for all medications during the donut hole

Catastrophic  
Coverage

- Begins at the “**out-of-pocket**” threshold of \$8,000
- **NEW FOR 2024:** The member does not have to pay a copay or coinsurance for covered Part D drugs for the rest of the calendar year

# Picking a Part D Plan

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# How to Pick a Part D Plan

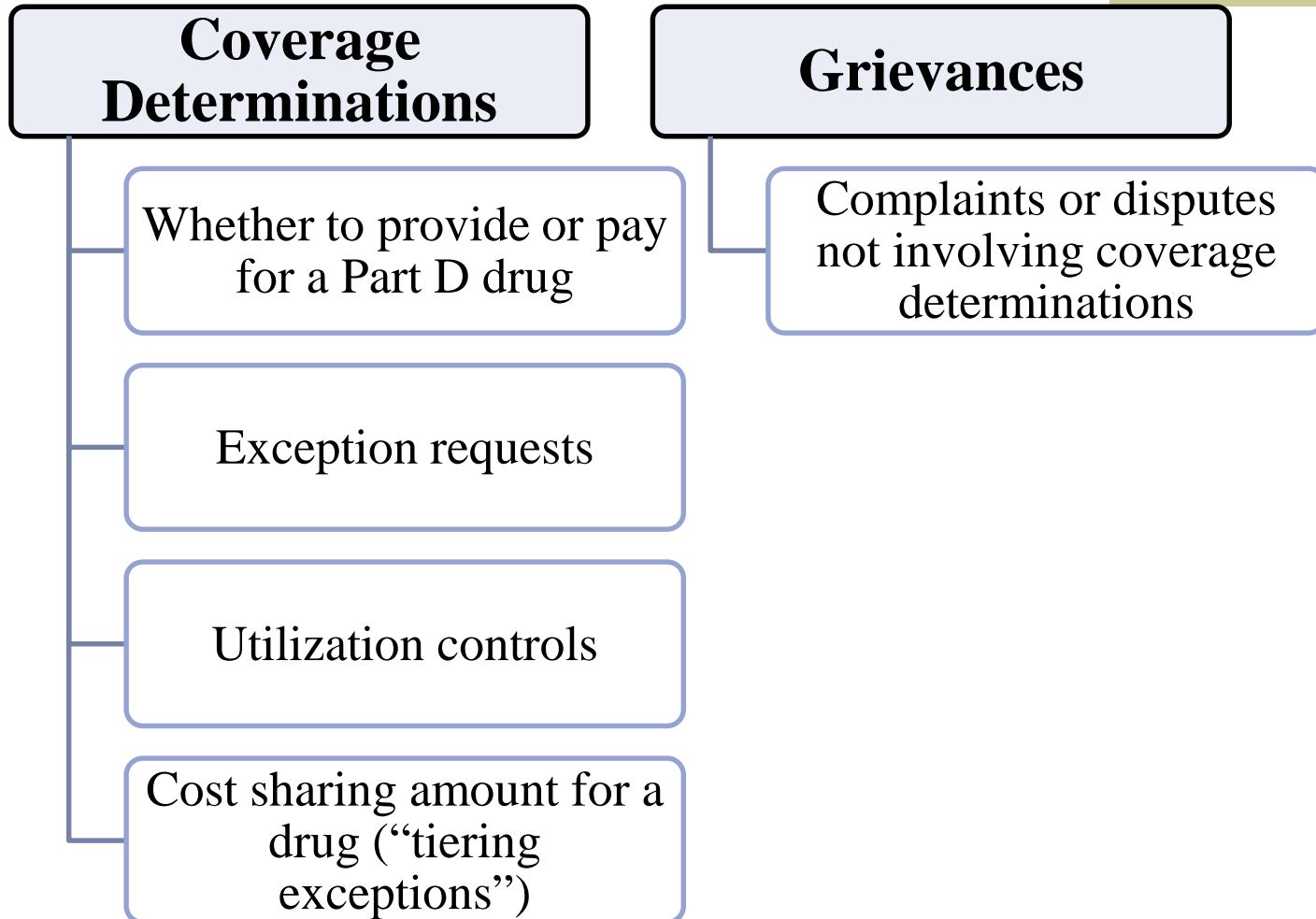
- Compare plans against the beneficiary's current medication list (including dosage information)
- [www.medicare.gov](http://www.medicare.gov) has tools to help compare available drug plans
- SHINE (1-800-AGE-INFO) and MCPHS University Pharmacy Outreach Program (1-866-633-1617) can help select a plan; SHINE can also help with enrollment
- Part D plans will send “Annual Notice of Change” letters to beneficiaries describing changes in premium, deductible, co-payments, formulary, and coverage in donut hole



# 2024 Part D Income-Related Monthly Adjusted Amount (IRMAA)

- Part D enrollees who have higher incomes will pay higher monthly premiums, regardless of the plan they select
  - Premium adjustments are for those with incomes above \$103,000 (individuals) or \$206,000 (couples)
  - Adjustment ranges from \$12.90-\$81.00/month  
Premium adjustments can be appealed
- Adjustments can be requested if the enrollee has had a change in financial circumstances

# Appeals: Types



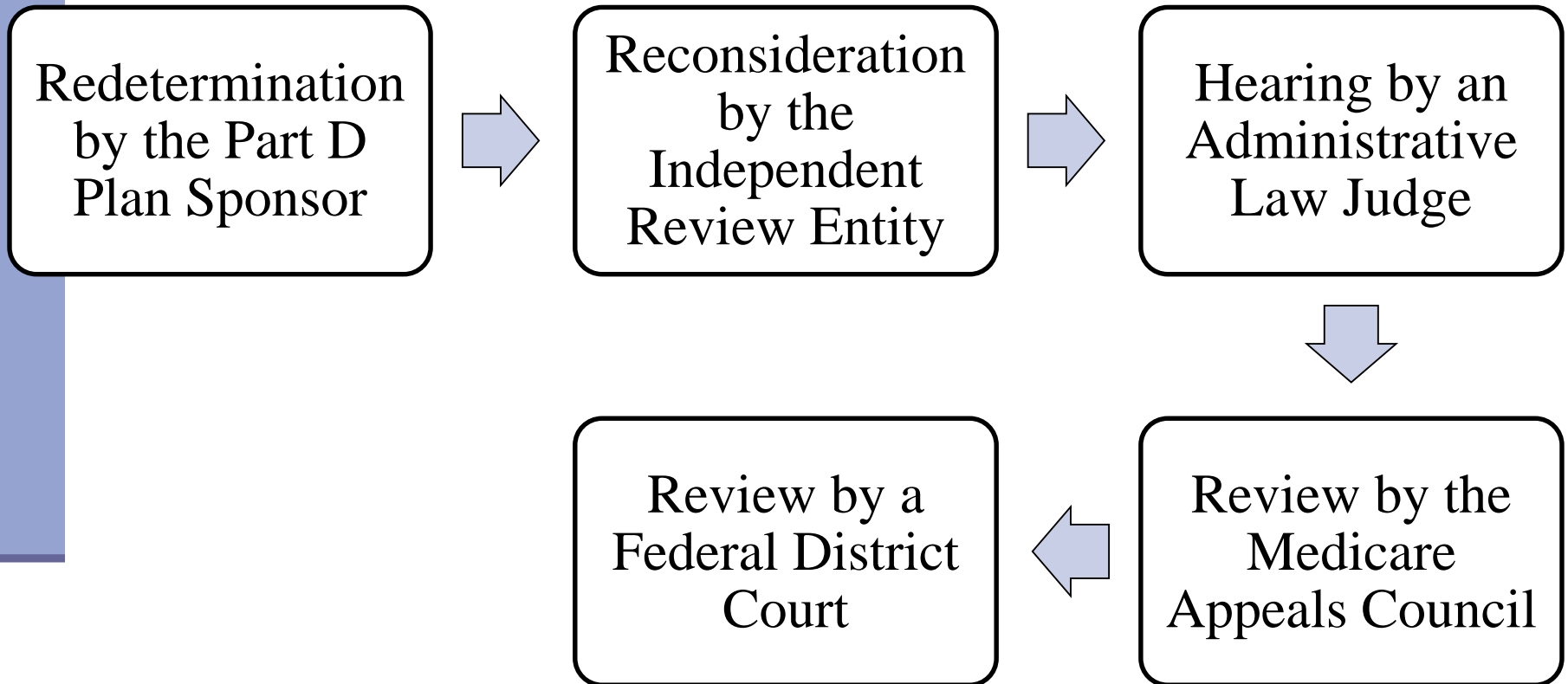
# Appeals: Coverage Determinations

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An appeal must be granted when the medication is medically necessary, even if it is “off formulary” or a non-preferred drug, if it is a Part D-coverable drug.



# 5-Step Appeal Process



# Appeals: Grievances

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- Grievances must be filed within 60 days of event or incident precipitating grievance.
- Standard response within 30 days of receipt.
- Expedited decision within 24 hours of receipt or request.

# Financial Assistance with Part D

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Extra Help/Low-Income Subsidy

Prescription Advantage

Patient Assistance Programs

# Qualifying for Extra Help/ the Low-Income Subsidy (LIS)

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- Automatic LIS if receive SSI, or if on MassHealth Standard or a Medicare Savings Program
- LIS available to other low-income, low-asset people:
  - Income up to 150% FPL; income does not include regular help for payment of household expenses
  - Assets are limited to \$15,720 (individual), \$31,360 (couple). Medicare does not count house, car, or life insurance policy in the asset limit

# LIS Coverage:

## New and Improved for 2024!

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- Monthly premium can be subsidized up to \$43.53 in 2024 for Massachusetts residents;
- No deductible
- Copayments are **no more than** \$4.50 for generic drugs and \$11.20 for name brand drugs, up to the \$8,000 out-of-pocket threshold.
- No coverage gap (although copayments continue during the coverage gap).



# Applying for LIS

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- Program administered by the Social Security Administration
- Apply:
  - Online ([www.ssa.gov/prescriptionhelp](http://www.ssa.gov/prescriptionhelp))
  - Call to request a paper application or to make an in-person application appointment at SSA (800-772-213 or 800-325-0778/TTY)
- Can apply anytime; can appeal denials

# LIS Terminations

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- ✓ Check current drug plan to advise of new costs
- ✓ Consider the SEP to enroll in a less expensive plan
- ✓ Appeal within 60 days of date of notice
- ✓ Reapply at any time if regain eligibility

# Medicare Beneficiaries with MassHealth Coverage

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- MassHealth members do not have to pay copayments
- MassHealth can provide a free 72-hour one-time emergency supply if there's a problem with the beneficiary's Part D plan
- MassHealth can pay for some over-the-counter drugs and other medications excluded from the Medicare Part D coverage

# Prescription Advantage Overview

- Provides secondary drug coverage for Part D beneficiaries who are not eligible for MassHealth
  - Depending on category, PA may help pay co-payments, reduce the coverage gap, and cap annual out-of-pocket spending
  - Free for most categories of members
- Also provides primary prescription drug coverage to some Massachusetts residents not eligible for Medicare
- Assistance also available to those who have creditable coverage plans instead of Part D

# Applying for Prescription Advantage

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- Continuous open enrollment
- Applying:
  - Phone: 800-AGE-INFO (800-243-4636)
  - TTY: 800-243-4636
  - Mail: P.O. Box 15153, Worcester, MA 01615-0153
  - Fax: 508-793-1166
  - Online: [www.prescriptionadvantagemma.org](http://www.prescriptionadvantagemma.org)

# Patient Assistance Programs

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- Offered by pharmaceutical companies
- Locate programs with help from:
  - MCPHS Pharmacy Outreach Program (866-633-1617, <https://www.mcphs.edu/patient-centers/pharmacy-outreach-program>)
  - Medicine Assistance Tool (<https://medicineassistancetool.org/>)
  - RxAssist ([rxassist.org](https://rxassist.org))



# Medicare Advocacy Project

Protecting your medicare rights.

- The Medicare Advocacy Project (MAP) provides free legal assistance for Massachusetts Medicare beneficiaries on Medicare-related issues
- For Part D, MAP can help with:
  - Coverage issues (rejection of coverage, exceptions and appeals for off-formulary drugs, step therapy, quantity limits, and prior authorization requirements);
  - Premium issues;
  - Eligibility issues; and,
  - Access issues



# Medicare Advocacy Project

Protecting your medicare rights.

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## Greater Boston Legal Services

Essex, Middlesex, Norfolk, and Suffolk Counties

**800-323-3205**

## South Coastal Counties Legal Services

Barnstable, Bristol, Dukes, Nantucket, and Plymouth Counties

**800-244-9023**

## Community Legal Aid

Berkshire, Franklin, Hampden, Hampshire, and Worcester Counties

**855-252-5342**