

Elder Basic Benefits Training

Medicare Part D and Prescription Advantage

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Medicare Advocacy Project
Protecting your medicare rights.



**Community
Legal Aid** CENTRAL AND
WESTERN MA

Session Objectives

- 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**

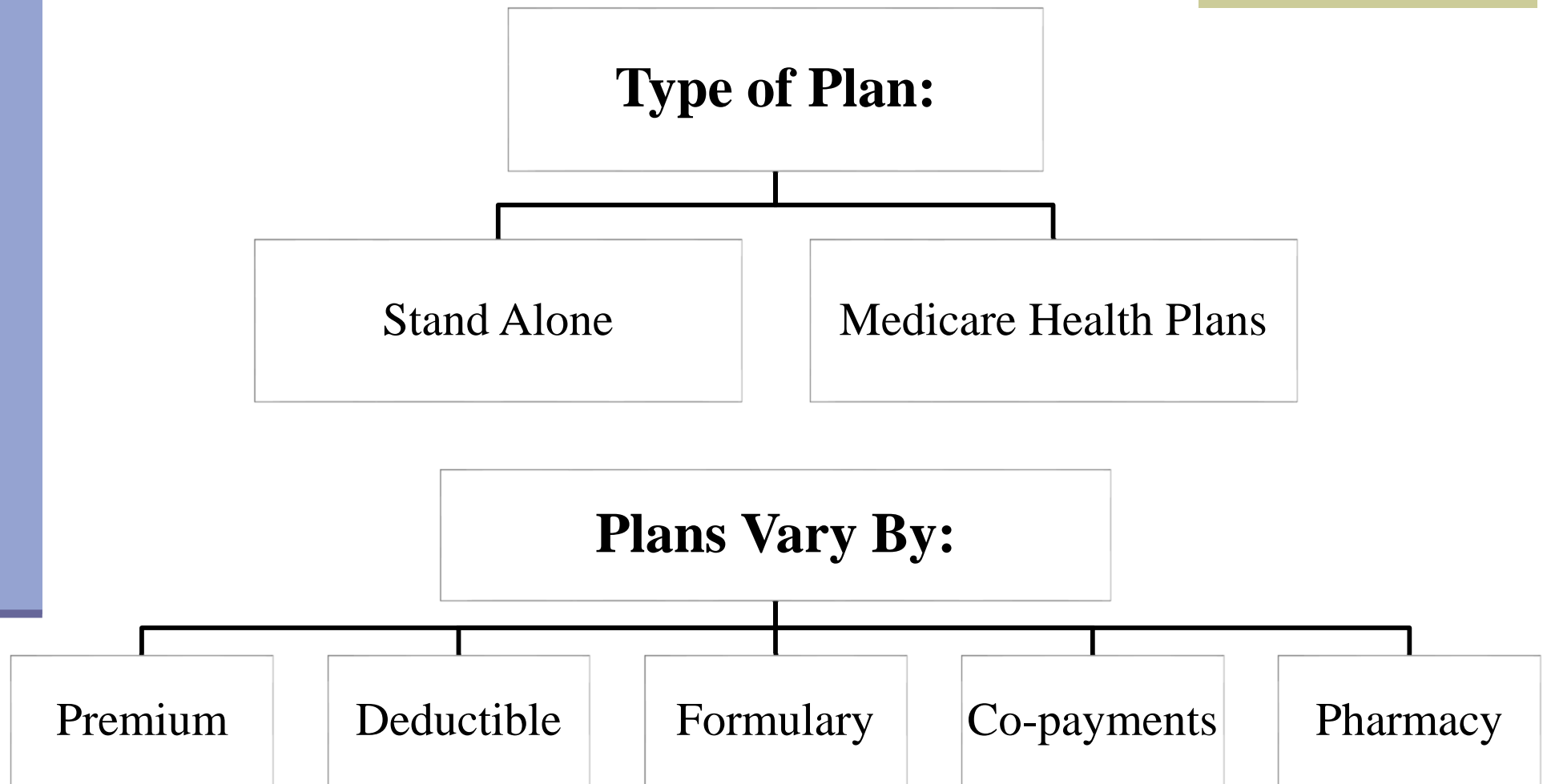
**Part
C**

**Part
D**

Why is Medicare Part D Different?

- 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

- Initial Enrollment Period:
 - When you first become eligible for Medicare
- Open Enrollment Period:
 - Can join, switch, or cancel coverage from October 15 – December 7, 2023, with coverage effective January 1, 2023

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

- 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

- 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 March 2019. 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?
 - March 2019-January 2023 = 46 months.
 - 46 months is equal to or longer than 63 days.
 - The 2023 national base premium is \$32.74.
 - $46 \text{ months} * 1\% * \$32.74 = \$15.0604$
- Rounding to the nearest dime, Ada will pay an additional **\$15.10** each month for her Part D coverage.

Calculating Premium Penalties

- Bruno Beta became eligible for Medicare as of November 2022. However, he did not have creditable prescription drug coverage until he enrolled in Medicare Part D as of January 1, 2023. What penalty will be added to his monthly premium?
 - November 2022-January 2023 = 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

- 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 \$505 in 2022

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 \$4,660 in total costs
- Member pays 25% for all medications during the donut hole

Catastrophic Coverage

- Begins at the “**out-of-pocket**” threshold of \$7,400
- The member pays the greater of \$4.15 for generic/preferred drugs and \$10.35 for other covered drugs, or 5%

Picking a Part D Plan



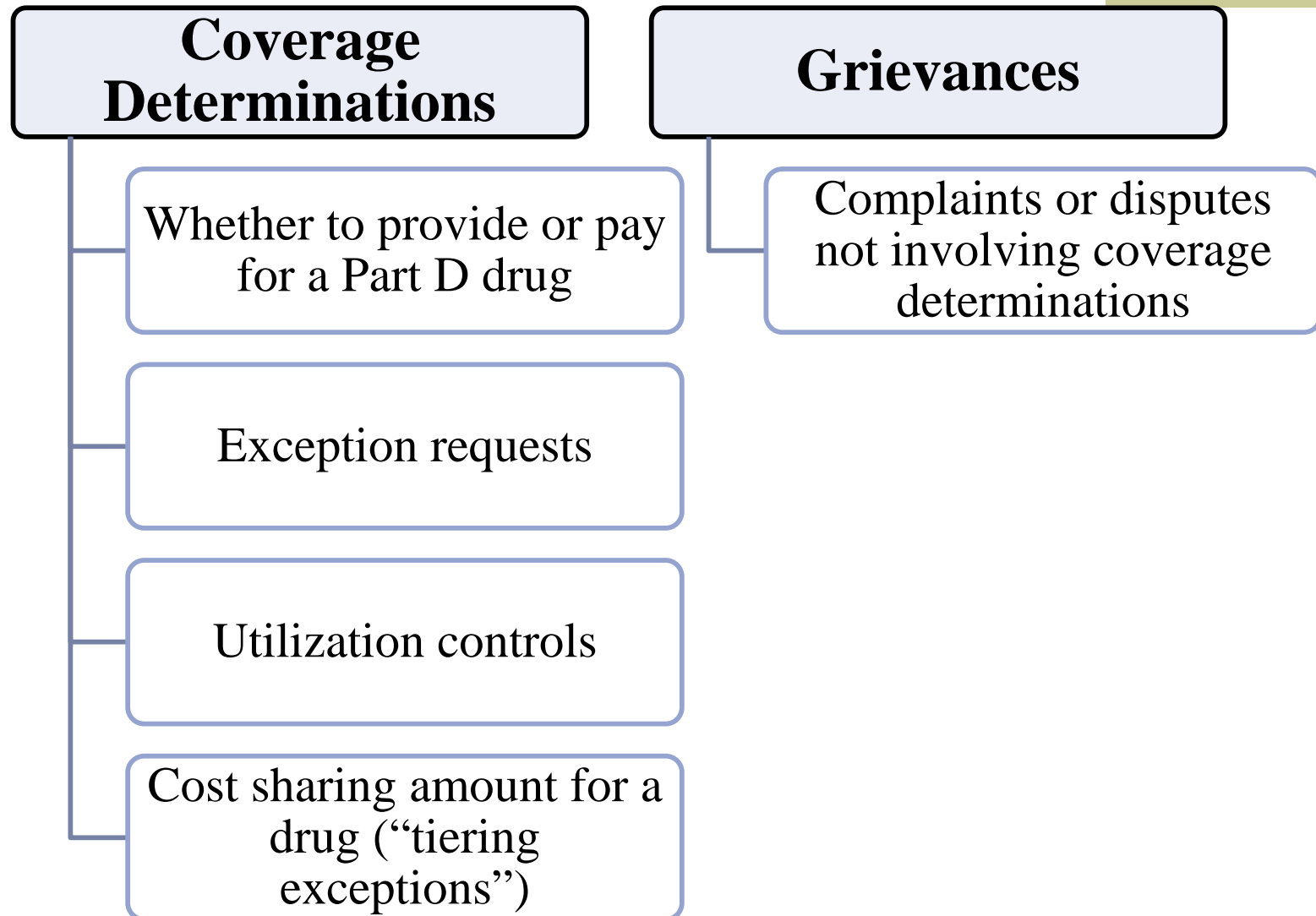
How to Pick a Part D Plan

- Compare plans against the beneficiary's current medication list (including dosage information)
- 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

Income-Related Premium Adjustment

- 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 \$97,000 (individuals) or \$194,000 (couples)
 - Adjustment ranges from \$12.20-\$76.40/month (2023)
- Premium adjustments can be appealed
- Adjustments can be requested if the enrollee has had a change in financial circumstances

Appeals: Types

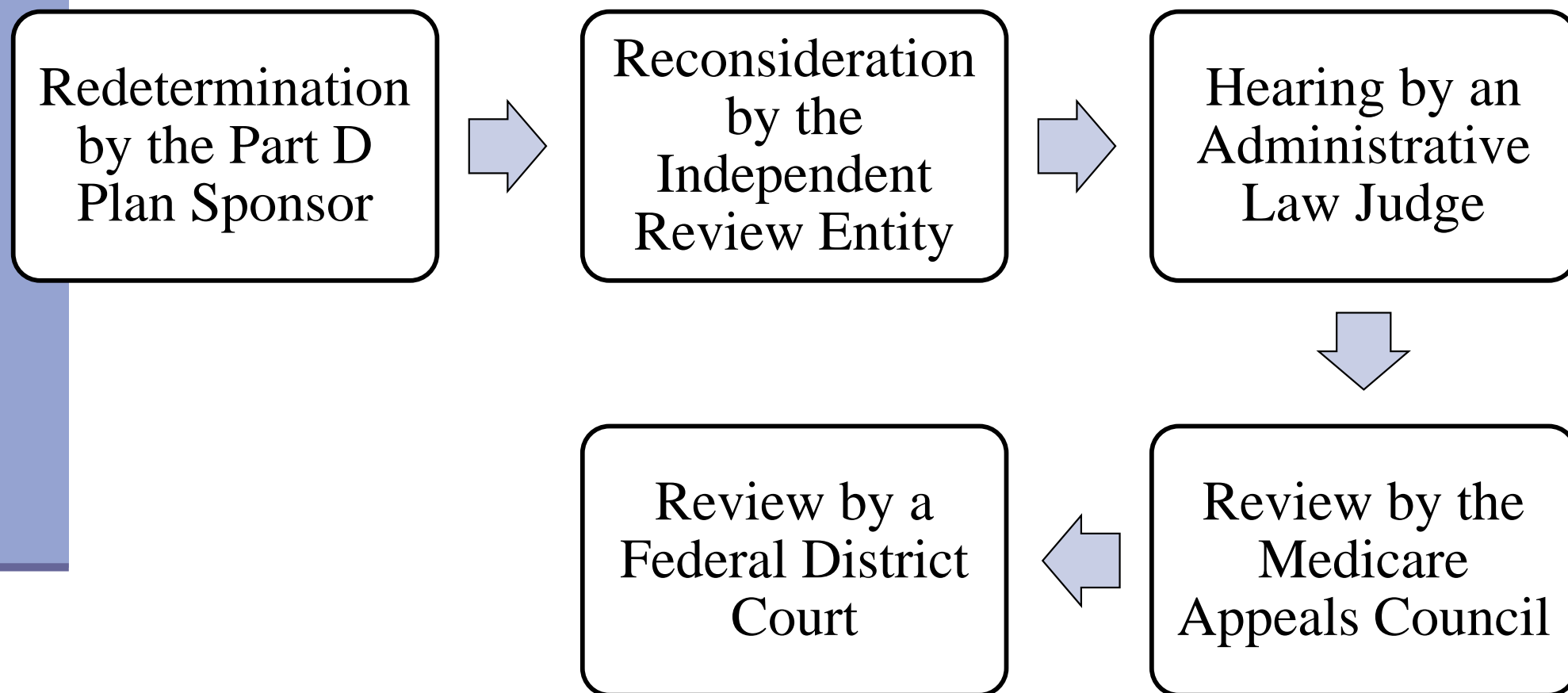


Appeals: Coverage Determinations

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



5-Step Appeal Process



Appeals: Grievances

- 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

Extra Help/Low Income Subsidy

Prescription Advantage

Patient Assistance Programs

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

- Automatic LIS if dual eligible or if MassHealth pays Part B premiums
- Full or partial LIS available to other low-income, low-asset people who apply for LIS
 - Income up to 150% FPL; income does not include regular help for payment of household expenses
 - Assets are limited to \$15,160 (individual), \$30,240 (couple). Medicare does not count house, car, or life insurance policy in the asset limit

LIS Coverage and Applying

■ LIS Coverage:

- Monthly premium can be subsidized up to \$36.27 in 2023 for Massachusetts residents;
- Lower co-payments;
- Provides full or partial donut hole coverage, depending on income level

■ Applying for LIS:

- Program administered by the Social Security Administration
- Can apply online at www.ssa.gov/prescriptionhelp
- Can apply anytime; can appeal denials

LIS Terminations

- ✓ 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; or,
- ✓ Reapply at any time if regain eligibility

Medicare Beneficiaries with MassHealth Coverage

- Co-payments are limited to \$1.00/\$3.65
- 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

- Continuous open enrollment
- Applying:
 - Phone: 1-800-AGE-INFO (1-800-243-4636)
 - Mail: P.O. Box 15153, Worcester, MA 01615-0153
 - Fax: 1-508-793-1166
 - Online: www.prescriptionadvantagemma.org

Patient Assistance Programs

- 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)



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.

■ Contact MAP:

- Greater Boston Legal Services (Essex, Middlesex, Norfolk, and Suffolk County): 800-323-3205
- South Coastal Counties Legal Services (Barnstable, Bristol, Dukes, Nantucket, and Plymouth County): 800-244-9023
- Community Legal Aid (Berkshire, Franklin, Hampden, Hampshire, and Worcester County): 855-252-5342