

## What is Medicare Part D?

Starting in January 2006, Medicare beneficiaries became eligible to participate in Part D, the prescription drug benefit portion of Medicare. Like other insurance, if you join, you will pay a monthly premium and a yearly deductible. You will also pay a part of the cost of your prescriptions, including a copayment or coinsurance. Costs will vary depending on which Part D plan you choose. Plans also differ in terms of what medications and pharmacies they will cover; they may also differ in terms of what steps you may need to take in order to get your medications. If you have limited income and resources, and you qualify for “Extra Help” (a financial assistance program offered by the Social Security Administration), you may not have to pay a premium or deductible, and your copayments and/or coinsurance may be limited.

## Enrolling in Part D

There are certain periods during which you can enroll in Part D.

- You can enroll when you’re first eligible (the “**Initial Enrollment Period**”) for Medicare during a seven-month period that begins three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65.
- You can enroll in the **General Enrollment Period**, which is October 15 – December 7 of each year, with coverage to start on the following January 1. During the General Enrollment Period, Medicare beneficiaries can join, switch, or drop a Medicare drug plan.
- You might also be entitled to a **Special Enrollment Period** if you meet certain circumstances. For example, you may be entitled to a Special Enrollment Period if:
  - You move out of your plan’s service area;
  - You lose other prescription drug coverage;
  - You live in an institution (like a nursing home);
  - You enroll or are enrolled in a State Pharmacy Assistance Program; or,
  - You qualify for Extra Help.

If you decide not to join a Medicare drug plan when you are first eligible, and you do not have other “creditable” prescription drug coverage, you will likely pay a late enrollment penalty if you join a plan later. “Creditable coverage” is coverage as good or better than drug coverage offered by Medicare and is usually provided by an employer or union.

## Why Enrollment is Important

As explained above, you can only enroll in Part D during certain times of the year. Additionally, you may face a late enrollment penalty if, at any time after your initial enrollment period is over, there is a period of 63 or more days in a row when you do not have Part D or other creditable

prescription drug coverage. The Part D late enrollment penalty is an amount that is added to your Part D premium.

The late enrollment penalty is calculated by multiplying 1% of the “national base beneficiary premium” (\$31.17 in 2013) times the number of months that you were eligible but did not join a Medicare drug plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and is added to your monthly premium. This means that, for example, if you had fourteen months without creditable coverage, your monthly premium would be increased by \$4.40 (14% x \$31.17, rounded to the nearest \$.10). You may have to pay this penalty for as long as you have a Medicare Part D plan.

### **Prescription Advantage**

Prescription Advantage is the Massachusetts State Pharmaceutical Assistance Program (SPAP). It is available to Massachusetts residents age 65 and older, as well as to younger individuals with disabilities who meet certain income and employment guidelines. Prescription Advantage will provide supplemental coverage for members enrolled in Medicare prescription drug plans. Assistance with co-payments is based on annual household income. There is no separate monthly premium for Prescription Advantage membership, and most members do not pay an annual enrollment fee.

Keep in mind that Prescription Advantage is a supplement to Medicare Part D, and it is not, itself, a Medicare Part D plan. However, the benefits of Prescription Advantage are that it has a continuous open enrollment, and it entitles a person to a Special Enrollment Period, which allows you to sign up for Medicare Part D sooner than the next General Enrollment Period. This means that you can minimize your Part D late enrollment penalty.

### **Referral Information**

If you need assistance with selecting a Part D plan, or need more information about Prescription Advantage, we recommend that you contact one of the following resources:

- More information about Prescription Advantage, including application information, can be found online at <http://www.mass.gov/elders/healthcare/prescription-advantage/>. You can also reach Prescription Advantage by calling 1-800-AGE-INFO (1-800-243-4636) and selecting option 2.
- The SHINE Program (Serving Health Information Needs of Everyone) provides free health insurance information, counseling and assistance to Massachusetts residents with Medicare and their caregivers. You can schedule an appointment with a SHINE counselor by calling 1-800-AGE-INFO (1-800-243-4636) and selecting option 3.
- The MCPHS University Pharmacy Outreach Program can conduct comprehensive review of your medications and prescription drug coverage. It can also identify affordable



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prescription drug programs through the Medicare Drug benefit, as well as medication assistance options for other uninsured or underinsured Massachusetts residents. The hotline is staffed by case managers and licensed pharmacists and can be reached at 1-866-633-1617.

- The official government website for Medicare is [www.medicare.gov](http://www.medicare.gov). Here you can sign up or change Part D plans, explore the costs for Medicare Part D coverage, and find out which Part D plans cover which prescriptions. You can also reach Medicare by calling 1-800-MEDICARE (1-800-633-4227).

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The Medicare Advocacy Project (MAP) is devoted to assisting people who may have been wrongfully denied Medicare. If you have questions about your Medicare claims or need legal advice, contact your local MAP office via Greater Boston Legal Services at 1-800-323-3205. For Worcester County residents, contact MAP via Community Legal Aid at 1-855-CLA-LEGAL.