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MED SUPP NEWS

SPECIALIZING IN MEDICARE SUPPLEMENTS, MEDICARE ADVANTAGE,
& THE NEW MEDICARE PRESCRIPTION DRUG PROGRAM OR PART D
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Medicare Part D

Medicare Part D is the new Prescription Drug Plan (PDP) available beginning January 1, 2006. This new benefit will be administered through private health-insurance companies that must bid against one another to ensure the best prices for eligible beneficiaries. Congress standardized Medicare supplement plans in 1990 to simplify matters. Medicare Part D has done just the opposite.

The time for signing up with Medicare Part D plan is just around the corner. In general, here are the basics.

The open enrollment for Medicare Part D prescription plan runs November 15, 2005 through May 15, 2006.

If you think this is all a little confusing, feel at ease because most of us are all in the same boat. Based on your prescriptions, you will need to select the plan that is the most *appropriate* fit for you. This is where many of you will want some assistance from your agent to determine which plan is that *best buy for your situation*.

The plans may cover similar prescriptions (*meds* for short). However, if a given med is not covered by a particular plan, it's not covered, and according to the most recent conference call I sat in on, buying that non-covered med may not count towards your deductible. You'll just buy it on your own. However, there may be exceptions to this. See the Q & A below.

From the flurry of questions the participants (agents) asked, there are many unanswered questions. Many of these questions will unravel themselves as events unfold. This is where the virtue of patience will be very helpful.

Here are some questions and answers.

Q: Is enrollment mandatory?

A: No

Q: What's the penalty if I don't sign up by May 15, 2006 deadline?

A: You will pay 1% per month penalty (of a national average rate of about \$31 per month) for every month that you wait to sign up after the initial enrollment ends. For example, if you waited three full years or 36 months to sign up, then your Part D premium would be whatever it is plus the penalty of about 36% of \$31 or \$11.00+.

Q: What happens if I'm still working and covered by a plan through my current employer's health plan and then

I retire after May 15, 2006. Will I be hit with the penalty?

A: No. As long as your plan has what is called "*credible coverage*", then there is no penalty. You should be receiving soon, if not already, a letter from your employer's plan stating that it *is* or *isn't* credible coverage.

Q: Can I switch plans if I'm not happy with the one I signed up with?

A: Yes. You may switch one time between Jan. 1 and May 15, 2006. After that, you may only switch during the Annual Election Period (AEP) from Nov. 15 through Dec. 31, 2006 and each succeeding year.*The AEP is now Oct. 15-Dec. 7.

Q: What if I'm not taking any prescriptions at all?

A: First, congratulations for your good health. I suggest that you sign up for an *inexpensive* plan with fewer benefits. If your needs change, you can switch to a plan with richer benefits during the Nov. 15 – Dec. 31 AEP. This way you avoid any penalties in the future while keeping your premium to a minimum.

Q: Is everyone on Medicare eligible to sign up for Medicare Part D?

A: Yes.

Q: Why have some people suggested that they may not be eligible?

A: This has been caused by confusion over eligibility for *assistance* for the Medicare Part D premium. From a Medicare spokesman: "*About one-third of Medicare beneficiaries will qualify for extra help in paying their premiums if their income is below the level, about \$14,000 a year, set by Congress and if they choose a plan costing at or below the benchmarks set by region.*" Please contact Medicare if you believe you may be eligible.

Q: The earlier costs for the basic plans was said to be around \$35-37 per month. Why are some now less?

A: Bidding and competition.

Q: How will I pay my Part D premium?

A: You can elect to pay it via auto bank draft, send the company a check, or have it withheld from you Social Security check.* A few plans may take credit cards.

*Avoid SS deduction. We have since learned that there have been some problems doing this.

Q: Do I have to get my PDP from the same company from which I have my Medicare supplement?

A: First, most Medicare supplement companies do NOT offer PDP's, but a few do. You may choose your PDP from any provider, which can be a different one than your Medicare supplement company.

Q: What happens to the other prescription programs such as the VA, Canadian/Mexican meds, Patient Assistance Plans (PAP's) such as Together Rx, etc. once Part D goes into effect?

A: The VA will remain as it is. We'll wait and see what happens with the PAP's. People can still get their meds from Canada or Mexico, at least for now as government officials are looking the other way. The drug discount cards (MedCo, Express Scripts, etc) provided by some of your Medicare supplement carriers still should work.

Q: What happens if I have a particular med that is not covered by my plan?

A: From Medicare.gov: *"If the plan doesn't cover your exact prescriptions, it's required to have a transition period where your current drugs may be covered for a certain length of time while you work with your doctor to find an alternative prescription drug to take, that is covered by the plan. If your doctor believes you need to take your current prescription drug and should not switch to a covered prescription drug, you or your doctor can contact your plan and ask it to give you an 'exception' which means the plan agrees to pay for your current drug. If the plan refuses to give you an exception, you can appeal the plan's decision."*

Q: Are any drug categories not included in Medicare prescription drug coverage?

A: *Yes. Certain drugs are excluded, which means they can't be provided as part of standard Medicare prescription drug coverage. Some examples of excluded drugs include benzodiazepines, barbiturates, drugs for weight loss or gain, and drugs for relief of colds. However, except for non-prescription over-the-counter drugs, a plan can choose to cover excluded drugs if the plan offers more than standard coverage. Non-prescription drugs can't be included. However, under certain circumstances, they may be provided at no cost.*

Q: Is there information and help available to compare Medicare drug plans?

- *Look for information about plans in your area in the "Medicare & You 2006" handbook, which you will get in the mail in October;*
- *Starting on October 13, you can look under the "Search Tools" option on this web site (Medicare.gov) for detailed information about the plans available in your area; or*

- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Q: Will some drugs still be covered under Part B?

A: *Yes. Medicare Part B will still cover drugs that it covers now (like some cancer drugs) that are usually given out by a doctor in his or her office. Drugs that are not covered under Part A or Part B will, in most cases, be covered under Medicare prescription drug coverage.* For more information, please visit www.medicare.gov

Q: Explain how the formularies are derived.

A: from www.Pharmacist.com: *"In general, Medicare Part D plans are required to include at least two drugs within each therapeutic category and class of Part D drugs on their formulary. The drugs included in each class or category must include a variety of strengths and doses. In situations where there are only two drugs available in a category or class, and one drug is clinically superior to the other, the plan may limit the number of drugs in that category or class to the one clinically superior drug, if the Centers for Medicare & Medicaid Services (CMS) approves."* Visit www.Pharmacist.com for more details.

Q: Will mail-order drugs be available through Part D?

A: Yes. You will have the choice of ordering covered drugs through the mail or buying them directly at a network retail pharmacy. Because they buy in large volumes, mail-order pharmacies typically (but not always) offer greater cost savings than retail pharmacies. When ordering through the mail, you will usually receive a 90 day supply.

Disclaimer: I have pulled this information from various websites. It's deemed to be reliable and accurate, but I take no responsibility for any incorrect information.

For more info, go to (medicare.gov). Click on *Search Tools*.

Signing up for Part D

Q: How do I sign up for Medicare Part D?

A: The easiest way is to sign up with your agent. Please fill out the enclosed form completely and return it to me. I can assist you in selecting the right plan for your situation. I have enclosed a return envelope for your convenience.

Things are already getting hectic and will be more so as November 15th nears. I will serve you on a first come, first served basis. Thank you for your patience in this matter.

I have also included the survey results on the backside of the form.

Survey Results

Reading the results: After each numbered response are the number of people that responded to each question. For question #1, I have written "responses". From #2 and on I have deleted "responses" to save space. I have added comments in italics.

1—Strongly disagree 2—Disagree 3—Neutral or don't know 4—Agree 5—Strongly agree
Please circle you best choice. Note 123 of you responded to the survey.

1. Seniors are being overprescribed prescriptions? 1 2 3 4 5
1- 2 responses; 2-3 responses; 3-29 responses; 4-44 responses; 5-42 responses
Comment—The overwhelming majority (86 or 72%) believes that people are being overprescribed.
2. Drug advertising on T.V. and in magazines influences people to ask for more prescriptions. 1 2 3 4 5
1-2; 2-2; 3-14; 4-55; 5-48 *The majority (103 or 86%) believes that advertising does have a strong influence.*
3. People could reduce their need for drugs if they would lead a healthier lifestyle. 1 2 3 4 5
1-2; 2-2; 3-5; 4-48; 5-66 *Comment—The majority (114 or 93%) believes that lifestyle does make a difference.*
4. Most prescriptions are beneficial in the long run. 1 2 3 4 5 1-6; 2-17; 3-51, 4-40; 5-6
Comment—The largest number (51 or 42.5%) responded, "don't know" and then 33% for "agree".
5. Drug companies are charging too much for their drugs? 1 2 3 4 5 1-1; 2-0; 3-2; 4-18; 5-97
Comment—The numbers speak for themselves with 97% in the affirmative.
6. Do you support the idea of buying drugs from Canada or other foreign countries if they are lower in cost? 1 2 3 4 5 1-4; 2--7; 3-11; 4-26; 5-72 *Comment—Over 75% were affirmative.*
7. The new Medicare prescription legislation will be beneficial for seniors. 1 2 3 4 5 1-18; 2-24; 3-57; 4-18; 5-3
Comment—"Don't know" was the most predominant response. We will see how this unfolds.
8. People could reduce their need for prescriptions if they led a healthier lifestyle. 1 2 3 4 5
1-1; 2-3; 3-9; 4-45; 5-62 *Comment—Redundant from #3, but helped to verify accuracy.*
9. There is too much drug advertising. 1 2 3 4 5 1-0; 2-4; 3-10; 4-28; 5-81 *Comment—88% of you say there is too much drug advertising. Maybe we could have lower cost prescriptions if the drug companies didn't spend so much for advertising. Someone has to pay for it.*
10. Doctors prescribe some drugs because it is easier to write a prescription rather than convince people to make lifestyle changes. 1 2 3 4 5 1-3; 2-8; 3-34; 4-41; 5-35 *Comment—76 or 62% answered in the affirmative.*

Thank you for the excellent comments that so many of you offered. Unfortunately, space does not permit me to print them this time around.

Disclaimer: This information is for survey and educational and informational purposes only. Please consult your physician before making any change with your prescriptions.

Recommended Book List:

The Cholesterol Myths: Exposing the Fallacy that Saturated Fat and Cholesterol Cause Heart Disease

by Uffe Ravnskov, MD, PhD *Comment—Excellent study for anyone who wants to be well educated about this subject and to unmask the phony science.*

Nourishing Traditions: The Cookbook that Challenges Politically Correct Nutrition and the Diet Dictocrats

by Sally Fallon and Mary Enig, PhD *Comment--For those who are wanting to do something for the better concerning lifestyle and health, this book is a terrific guide to help people who want to wean themselves off the industrialized factory foods and get back to real foods.*

Heart Fraud, by Charles T. McGee M.D., *Comment--A terrific companion book to The Cholesterol Myths. Deals with unnecessary heart procedures.*

