

So You're Conducting Outreach...

Setting the Stage...

The Facts...

Main points appear in captions like this one on the left side of each page



Carla is talking to **John**, a trainer for the Centers for Medicare & Medicaid Services (CMS), who is helping her understand the program.

Carla is a member of a community-level organization and has been asked to help the people in her church understand the new Medicare prescription drug coverage. She has been helping people in her community for many years, but hasn't helped them with Medicare.



The Dialogue...

The conversation between Carla and John appears in quotes on the right side of each page in captions like this one.

Medicare Overview



“Hi, John! As you know, I’ve been asked to help people in my church on the new Medicare prescription drug coverage, but I’m not even sure what Medicare is.”

Medicare is a health insurance program for

- People 65 years and older
- People under age 65 with certain disabilities
- People of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant)



“Hi, Carla. I’ll be happy to explain the program and answer your questions. Medicare is a health insurance program for people who are 65 years and older, people under age 65 with certain disabilities, and people of all ages with End-Stage Renal Disease or ESRD. ESRD is permanent kidney failure requiring dialysis or a kidney transplant.”

Medicare Prescription Drug Coverage



“OK. I’ve heard my grandmother talk about Medicare. But I haven’t heard her talk about Medicare prescription drug coverage.”

Medicare will offer
prescription drug coverage
beginning January 1, 2006



“That’s because it’s new. Beginning January 1, 2006, Medicare prescription drug coverage will be available to all people with Medicare.

Most people will be able to get this coverage through Medicare prescription drug plans. Medicare will also work with employers and unions to ensure that people who currently receive drug coverage through their former employer or union can continue to do so.”

MEDICARE PRESCRIPTION DRUG COVERAGE



“You know, John, my grandmother will want to know why she should make any changes to her current Medicare coverage. Why would she want to get prescription drug coverage?”

Medicare prescription drug coverage is important. It protects from high out-of-pocket costs



“Excellent question, Carla.

Medical practice has come to rely more and more on new drug therapies to treat chronic conditions, and out-of-pocket spending on drugs has increased dramatically in recent years.

Most people with Medicare currently need or will come to need prescription drugs to stay healthy. Medicare prescription drug coverage will protect them from high out-of-pocket costs.”

MEDICARE PRESCRIPTION DRUG COVERAGE

Medicare prescription drug coverage is available to everyone who has Medicare Part A or Part B



“Can anyone with Medicare get this drug coverage?

Are people with Medicare automatically enrolled in a Medicare prescription drug plan?”



“The answer to your first question is, yes.

Medicare prescription drug

coverage is available to those who have either Medicare Part A or Medicare Part B. Medicare Part A is hospital insurance and Medicare Part B is medical insurance. There will be at least two Medicare prescription drug plans to choose from.

But people with Medicare are not automatically enrolled. Most people will need to choose and enroll in a Medicare prescription drug plan to get prescription drug coverage. They will need to decide how they want to get their prescription coverage. They can get their coverage in several ways.”



MEDICARE PRESCRIPTION DRUG COVERAGE

People with Medicare will need to decide how they want to get their prescription drug coverage

Information about plans will be available October 2005

They can first enroll from November 15, 2005, through May 15, 2006

People with Medicare can get all their health-care benefits and prescriptions through a Medicare Advantage Plan like an HMO

(Health Maintenance Organization) or PPO (Preferred Provider Organization).



They can also get their health care benefits through the Original Medicare Plan, or a Private Fee-for-Service Plan and choose a Medicare prescription drug plan.

People with Medicare can get information about prescription drug health plans starting in October, and can enroll in a plan from November 15, 2005, to May 15, 2006.”

“What’s the difference between the Original Medicare Plan, Private Fee-for-Service Plans, and a Medicare Advantage Plan?”



“The Original Medicare Plan and Private Fee-for-Service plans are pay-per-service health plans. In a Medicare Advantage Plan, typically you have to go to doctors and hospitals that participate with that plan – often called the plan’s network.”



“Medicare Advantage Plans sound similar to the HMO that I have through my work. I get both health services and drug coverage through my HMO.”

MEDICARE PRESCRIPTION DRUG COVERAGE

“Medicare prescription drug coverage sounds like it could be beneficial to help pay for prescription drugs. But how much will it cost?”



Costs for a plan with standard Medicare prescription drug coverage might look like this:

- around \$37 monthly premium
- \$250 deductible
- 25% coinsurance
- 100% between \$2,250 and \$5,100
- 5% coinsurance from \$5,100 and up

“There will be different types of plans. An example of a plan with standard coverage might look like this:



A person who enrolls in a Medicare Prescription Drug Plan will pay a monthly premium, around \$37 in 2006, and a yearly deductible (\$250 in 2006).

After he or she pays the deductible, Medicare will pay 75% of the person's drug costs and the person with Medicare will pay 25% coinsurance. This is up to \$2,250 in drug costs.

Then the person with Medicare is responsible for paying 100% of his or her drug costs, up to a total of \$5,100, or \$3,600 in out-of-pocket expenses.

After that, Medicare pays 95%, and the person pays 5% of his or her drug costs for that year.

There will be extra help with paying these costs for some people with limited income and resources

MEDICARE PRESCRIPTION DRUG COVERAGE

Out-of-pocket expenses include the deductible and coinsurance — does not include the premium



“I think that helps. You mention ‘out-of-pocket expenses.’ Can you tell me what expenses are considered ‘out-of-pocket expenses’?”

“Out-of-pocket expenses include expenses that a person with Medicare pays for his or her drug costs. These include the deductible and coinsurance. The premium is not considered an out-of-pocket expense.”

- Plans cover brand-name and generic drugs
- Covered Medicare prescription drugs may be different with different plans

“What drugs are covered by the Medicare prescription drug plans? Are all prescription drugs covered?”

“That’s a good question. Many prescription drugs including brand-name and generic drugs are covered. Medicare will contract with private companies to offer this drug coverage. The companies will offer a variety of options with different covered prescriptions and different costs.

It’s important for the person with Medicare to choose a plan offering coverage that meets his or her needs.”



MEDICARE PRESCRIPTION DRUG COVERAGE

If the person with Medicare has limited income and resources, he or she could qualify for extra help

For people with limited income and resources, there is extra help paying for deductibles, premiums, and coinsurance

“Tell me more about the help for people with lower incomes.”



“If the person with Medicare has limited income and resources, there is extra help with prescription drug plan costs.

The amount of help depends on the person’s income and resources.

The extra help can pay for the Medicare prescription drug coverage deductible, premiums, and coinsurance. And keep in mind, people who are eligible for the extra help may have little or no out-of-pocket costs.”

MEDICARE PRESCRIPTION DRUG COVERAGE

Some people will be automatically eligible for the extra help — they are considered “deemed”

“Some people with Medicare will be automatically eligible for the extra help. We call these people ‘deemed.’



People who are considered ‘deemed’ include people who have both Medicare and Medicaid. Medicaid is a health insurance program for people with limited income and resources. Sometimes you may hear them referred to as ‘full-benefit dual eligibles.’

People with Medicare who receive Supplemental Security Income (SSI) are also automatically eligible for the extra help.

People with Medicare who are in a Medicare Savings Program are also deemed. Medicare Savings Programs help people with limited incomes and resources with their Medicare Part A and B deductibles, premiums, and coinsurance.

All other people with Medicare who think they might be eligible must apply for the extra help.”



“Will people who are deemed automatically eligible need to apply for the extra help?”

“No, these individuals do not have to apply for the extra help. They will automatically get it.”

MEDICARE PRESCRIPTION DRUG COVERAGE

Many people will receive an application for the extra help from the Social Security Administration this summer

“Sounds like this could be a great program for people who need it. How do people who are not automatically eligible apply for the extra help?”



“Many people will get an application in the mail from the Social Security Administration this summer. People who don’t get one can call or go to their local Social Security or

Medicaid office for an application. They can also go to these same offices for help filling out the Social Security application, which will ask for information on their income and resources.



People with Medicare can also contact their State Health Insurance Assistance Program (SHIP) or Area Agencies on Aging for assistance in applying for the extra help. Or they can get an application on the internet at www.socialsecurity.gov or www.medicare.gov starting July 2005.”

MEDICARE PRESCRIPTION DRUG COVERAGE

If a person with Medicare already has drug coverage from another source, he or she needs to decide whether to continue the current coverage or change to a Medicare prescription drug plan

People with Medicare who currently have prescription drug coverage will be notified by their current insurance plan if their current drug coverage is at least as good as Medicare prescription drug coverage



“What if the person with Medicare already has drug coverage through a retirement plan or some other plan?”

“Well, that could be a good thing. The person needs to know some information to make a good decision regarding whether or not to get Medicare prescription drug coverage.



First, the person with Medicare needs to know if the current drug coverage is at least as good as what is being offered by Medicare prescription drug plans. This is called ‘creditable coverage.’

People will find out if their coverage is ‘creditable’ from their plan, or they can contact their plan to get this information.”

“What happens if the coverage isn’t as good as the Medicare coverage?”



MEDICARE PRESCRIPTION DRUG COVERAGE

If the drug coverage the person with Medicare currently has supplements Medicare prescription drug coverage, then he or she may want to enroll in a Medicare prescription drug plan



“If the drug coverage the person with Medicare currently has is not as good as a Medicare prescription drug plan, then the person with Medicare needs to know if it supplements the Medicare prescription drug coverage. If it does, then he or she may want to enroll in a Medicare prescription drug plan.

It is important for people with Medicare to understand if their current coverage is at least as good as Medicare prescription drug coverage so they can make an informed decision.

This is important because people with Medicare may have to pay a higher premium if they wait to enroll in a Medicare prescription drug plan. The higher premium is 1% more for every month they waited to get Medicare prescription drug coverage.”



“What are the circumstances when people with Medicare will have to pay a higher premium? I think understanding this is important.”

MEDICARE PRESCRIPTION DRUG COVERAGE

If current coverage is not as good as Medicare prescription drug coverage, and the person with Medicare doesn't enroll in a Medicare prescription drug plan, he or she could face a higher premium later

"You're right, Carla. It is important."



People with Medicare will pay a higher premium if their current coverage is not as good as what Medicare is offering, and they don't enroll in a Medicare plan when first eligible.

They will also pay a higher premium if they don't currently have any prescription drug coverage and don't enroll in a Medicare prescription drug plan when first eligible.



"What happens if the person has a plan that *is* at least as good as what Medicare is offering and wants to enroll in a Medicare plan later?"

"That's a good question, Carla. As long as the current plan is at least as good as what is offered by a Medicare plan, he or she will not have to pay a higher premium to join a Medicare plan later. He or she should contact their benefits administrator."

MEDICARE PRESCRIPTION DRUG COVERAGE



“This sounds like a lot of information. Could you review it with me one more time?”

If current drug coverage

- is at least as good as Medicare prescription drug coverage, then decide whether to keep current coverage or enroll in Medicare plan
- is not as good as Medicare coverage or have no drug coverage, then need to enroll in a Medicare plan when first eligible, or pay a higher premium to enroll later
- supplements Medicare prescription drug coverage, then enroll in a Medicare plan for complete coverage at the lowest premium



“Sure!

If the current drug coverage is at least as good as Medicare prescription drug coverage, then the person with Medicare needs to decide whether to keep his or her current coverage, or enroll in a Medicare prescription drug plan.

If the current coverage is not as good as Medicare coverage, or if he or she doesn't have drug coverage at all, then he or she will need to enroll in a Medicare plan when first eligible, or pay a higher premium if enrolling later.

If the current drug coverage supplements Medicare prescription drug coverage, then the person needs to enroll in a Medicare prescription drug plan to pay the lowest possible premium. Does this help?”



“It sure does, John!”

MEDICARE PRESCRIPTION DRUG COVERAGE

Deciding whether or not to enroll in a Medicare prescription drug plan is an important decision

“That is important information to know. It sounds like people with Medicare will need to make an important decision because it could cost them more money. And some people with Medicare are already on a limited income.”



“That’s right, Carla. It is an important decision. People who already have Medicare will

need to decide whether or not to enroll in a Medicare prescription drug plan between November 15, 2005, and May 15, 2006. If they enroll by December 31, 2005, coverage will begin January 1, 2006.

This is called the Initial Enrollment Period for Medicare prescription drug coverage. If people don’t enroll in a plan during this time period, they can enroll during the General Enrollment Period, which is November 15 through December 31 of each year beginning in 2006.”

MEDICARE PRESCRIPTION DRUG COVERAGE

To summarize:

- Starting January 1, 2006, Medicare prescription drug coverage will help people with Medicare pay for the prescriptions they need
- Medicare prescription drug coverage is available to all people with Medicare
- There is additional help for those who need it most
- The Medicare prescription drug coverage pays for brand-name and generic drugs
- People with Medicare can choose between at least two Medicare prescription drug plans and pick a plan that is right for them



“Well, John, I think I know enough to help people with the new Medicare prescription drug coverage. Here are the main points that I remember:

Starting January 1, 2006, Medicare prescription drug coverage will help people with Medicare pay for the prescriptions they need.

Medicare prescription drug coverage is available to all people with Medicare.

There is additional help for those who need it most.

The Medicare prescription drug coverage pays for brand-name and generic drugs.

People with Medicare can choose between at least two Medicare prescription drug plans and pick a plan that is right for them.”



“That’s great!
You’ve picked up the most important points. Keep in mind that people with Medicare will be getting more

information in the mail throughout 2005. Also, be sure to visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227) if you need more information on the Medicare prescription drug coverage.”