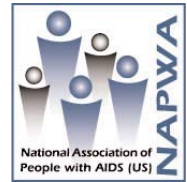




**The New Medicare
Drug Benefit: An
HIV/AIDS
Enrollment
Tool Kit**



New Medicare Prescription Drug Benefit Starting January 1, 2006

Dear Medicare Beneficiary:

As part of a new Medicare law, the Medicare program will now provide prescription drug coverage. People currently on Medicare, but getting their medications through Medicaid, will automatically be switched to the new program. For most other people on Medicare, enrollment is voluntary, but it will be the best or only way to get access to life-saving prescription drugs. Depending on where you live, you will have several choices as to which Medicare prescription drug plan to join. Also, if you are low-income, you can apply for a subsidy or extra help to cover the costs.

This Tool Kit, entitled *The New Medicare Prescription Drug Benefit: An HIV/AIDS Enrollment Tool Kit*, is designed to help make sure that you are aware of the new drug benefit and the important changes that are about to take place - changes that could have a dramatic impact on how you get the prescription drugs you need. The Tool Kit was prepared through a collaborative Medicare drug benefit education campaign involving the Treatment Access Expansion Project, HIV Medicine Association, American Academy of HIV Medicine, and National Association of People with AIDS. Together, we are organizations representing consumers, case managers, advocates and health care providers. We have designed this Tool Kit to provide the following:

- Answers to key questions about coverage and costs under the new Medicare drug benefit.
- Information to assist you in selecting the right prescription drug plan and to help you receive an "extra help" low-income subsidy if you are eligible.
- Contact information to help you learn more about the Medicare drug benefit and enrollment assistance.

We hope this Tool Kit helps to make the transition to your Medicare prescription drug plan easier.

Turn this page over for a description of the documents that are in this Tool Kit.

Materials prepared through a collaborative Medicare Part D education campaign of the Treatment Access Expansion Project, HIV Medicine Association, American Academy of HIV Medicine, and National Association of People with AIDS.

October 2005

THE NEW MEDICARE PRESCRIPTION DRUG BENEFIT: AN HIV/AIDS ENROLLMENT TOOL KIT

ISSUES TO CONSIDER IN CHOOSING THE RIGHT MEDICARE DRUG PLAN

This document explains why enrolling in the Medicare drug program is so important. It addresses particular concerns for people who are on both Medicare and Medicaid and for those who get their prescription drugs through an AIDS Drug Assistance Program. It outlines issues to consider in choosing the best plan for you and explains how to learn more about the drug plans that are available in your area. It lets you know that individual assistance in selecting the best drug plan for you is available by calling 1-800-MEDICARE or online at www.medicare.gov.

THE EXTRA HELP LOW-INCOME SUBSIDY: FINANCIAL HELP TO PAY FOR YOUR PRESCRIPTION DRUG NEEDS

This document explains the eligibility requirements for the "extra help" low-income subsidy. It describes how a subsidy will greatly reduce the cost of participating in a Medicare drug plan. It also lets you know that you can apply for an extra help low-income subsidy at your state Medicaid office, by calling the Social Security Administration at 1-800-772-1213, or online at www.socialsecurity.gov.

ATTENTION EVERYONE ON MEDICARE

This poster has been printed on heavier paper so that it can easily be distributed and hung in doctors' offices, health care centers, AIDS service organizations, and other community based organizations. The poster provides some basic information that will help to maximize successful enrollment in the new drug program. It briefly describes the issues to consider in selecting a Medicare drug plan and where you can learn more about your drug plan options. It also encourages low-income Medicare beneficiaries to apply for an "extra help" subsidy.

MEDICARE BENEFICIARY WORKSHEET

This worksheet helps you to compare your prescription drug needs with the Medicare drug plans available in your area. It can help you to figure out which plan will provide the best access to the drugs you need, is the most cost-effective, and will allow you to get your prescription drugs at a convenient pharmacy. All of these issues are important when choosing the right drug plan for you.

THE NEW MEDICARE DRUG BENEFIT: ENROLLMENT INFORMATION FOR HEALTH CARE PROVIDERS

This document gives health care providers information on why enrollment in a Medicare drug plan is very important to most Medicare beneficiaries living with HIV and AIDS. It contains information on how to assist patients in applying for an extra help low-income subsidy and selecting the right drug plan. It provides a timeline of the steps patients need to take over the next few months to secure the right prescription drug plan.

Issues to Consider in Choosing the Right Medicare Drug Plan

As of January 1, 2006, the Medicare program will provide prescription drug coverage. All Medicare beneficiaries will have the opportunity to enroll in a prescription drug plan and to choose among many available plans. For most people, enrollment is not mandatory, but it will be the best or only way to get access to life-saving prescription drugs. If you are on Medicare but also rely on Medicaid or an AIDS Drug Assistance Program (ADAP), enrollment in the right plan will help to ensure that you can continue to get the prescription drugs you need. For everyone on Medicare, the Medicare drug plan choices available to you will vary based upon where you live. Understanding why you should enroll in a Medicare drug plan, the issues to consider in selecting a plan, and how to learn more about your drug plan options, are all necessary steps to ensure you select the right plan for you.

WHY YOU SHOULD ENROLL IN A MEDICARE DRUG PLAN

- **If you have both Medicare and Medicaid**, your Medicaid drug benefit will end on December 31, 2005, and you will be automatically enrolled in a Medicare drug plan. However, the plan to which you are assigned may not be the best plan for you. You have the right to switch to a different drug plan that better meets your needs. So, it is very important to review the plans available in your area to determine which is right for you and provides the best access to the drugs you need.
- **If you use an AIDS Drug Assistance Program (ADAP)** to get your prescription drugs and you are eligible for the Medicare drug benefit, you may lose your ADAP coverage if you do not enroll in a Medicare drug plan. So, if you rely on ADAP, be sure to apply for Medicare coverage. If it is determined that you are not eligible for Medicare, your ADAP coverage will remain unchanged.
- **If you only have Medicare** and do not enroll in the Medicare drug plan by May 15, 2006, you may have to pay a penalty if you decide to enroll later. So, it is important not to delay if you will need Medicare to help you get your prescription drugs. If you have coverage from another source, you should receive a letter shortly from your current health plan telling you if your present coverage is sufficient to avoid paying a penalty if you switch to a Medicare drug plan after the May 15th deadline. If you don't get this letter soon, you should contact your plan.

CHOOSING THE BEST PLAN

Under the Medicare prescription drug program, there is no single prescription drug plan. Instead, depending on where you live, you may have more than twenty plans to choose from. You will have to decide which plan best meets your needs. The plans offered in your area may be very different in terms of cost and whether they pay for the drugs you need. While all of the plans will cover all antiretrovirals, some may not pay for the other drugs you need. Important issues to consider when choosing a drug plan include:

- **Access:** When comparing your options, look at the list of drugs the plan will pay for or cover (the formulary). It is also important to compare which local pharmacies are working with each drug plan, to make sure you can use a pharmacy that is convenient for you.
 - ▶ **Covered Drugs:** Within certain limits, each Medicare prescription drug plan gets to decide which drugs it will include or cover. We know that all plans are required to cover all antiretroviral drugs. They also will be required to cover all anti-depressant and anti-psychotic medications, although if you are not currently taking these medications your plan can require you to try other drugs before you can get a specific drug. We also know that each plan will be required to cover at least two drugs in each therapeutic class, e.g., two cholesterol drugs. But since every plan will be different, you should select one that covers the drugs you currently use or think you may need in the future. Additionally, you should ask if there are special rules for getting the drugs you currently take (sometimes called prior authorization).
 - ▶ **Participating Pharmacies:** Each plan will require you to use certain pharmacies to fill your prescriptions. Check to make sure the plan will allow you to use a convenient pharmacy.
- **Affordability:** Compare the costs of the plans offered in your area. The different plans will probably have different premiums, co-payments, and deductibles. How much they will cost can vary greatly.
 - ▶ If you have both Medicaid and Medicare, you will not have to pay a premium or a deductible under most plans, and your drug co-pays will be \$1 to \$2 for preferred and \$3 to \$5 for non-preferred drugs.
 - ▶ If you are only on Medicare, you may be eligible for a low-income subsidy that provides "extra help" to make the drug plan more affordable. Depending on your income and assets this can greatly reduce your drug plan costs, so be sure to apply for extra help by contacting your local Medicaid office or the Social Security Administration at 1-800-772-1213.

NEXT STEPS & HOW TO LEARN MORE ABOUT YOUR DRUG PLAN CHOICES

There are a few other important things to remember to make the transition to the new drug plan as easy as possible. Be sure to read carefully and save any paperwork you receive from the Social Security Administration, Medicaid, Medicare, and your state or local health service agencies. The materials you receive may include important information on changes to your prescription drug coverage, applications for the low-income extra help subsidy, or information on drug plans in your area.

Utilize other options available for learning more about the drug plans available in your area:

Check Your Mail: The Centers for Medicare and Medicaid Services (CMS) will mail all Medicare beneficiaries a "Medicare and You" booklet that will provide plan choices and benefit information.

Call Medicare: Personalized information will be available by calling 1-800-Medicare.

Use the Internet: Check the Center for Medicare Advocacy website (www.medicareadvocacy.org), the Centers for Medicare and Medicaid Services (CMS) website (www.cms.hhs.gov), and the Treatment Access Expansion Project (TAEP) website (www.taepusa.org), for updated information.

Beginning October 13th, plan information will be available online through the Medicare Prescription Drug Plan Finder at www.medicare.gov.

The Extra Help Low-Income Subsidy

Financial Help to Pay for Your Prescription Drug Needs

The Medicare program will provide a subsidy or "extra help" for low-income people on Medicare. Some people will automatically qualify for a full subsidy, greatly reducing the cost of participating in a Medicare drug plan. Others will have to apply for the extra help subsidy and will receive either a full or partial subsidy depending upon income and assets. Both the full and partial subsidies will help to reduce out-of-pocket costs. Applying for extra help is the first step. You also have to enroll in a prescription drug plan.

The Full Drug Subsidy

You are eligible for a full drug subsidy if any of the following apply to you:

- Your income is below 135% of the federal poverty level (see chart below) AND you do not have assets worth more than \$7,500 for a single individual or \$12,000 for a married person.¹
- You are on both Medicaid and Medicare (dual eligible).²
- You are currently receiving Supplemental Security Income (SSI).
- You are currently enrolled in a Medicare Savings Program (a QMB, SLMB or QI program).

In general, if you are eligible for a full drug subsidy:

- You will not have to pay a monthly premium (for any plan that does not cost more than the average cost of a plan in your region) or deductible.
- You will have to pay a prescription co-pay of \$2 for each drug on the plan's preferred drug list and \$5 for each non-preferred drug. However, if you are on both Medicare and Medicaid AND your income is below 100% of the federal poverty level (see chart below) your co-pays are reduced to \$1 for each preferred drug and \$3 for each non-preferred drug.
- You will have no co-pays once your total drug costs reach \$5,100.

The Partial Drug Subsidy

You are eligible for a partial drug subsidy if:

- You do not qualify for a full subsidy, as described above, but your income is at or below 150% of the federal poverty level (see chart below) AND you do not have assets worth more than \$11,500 for a single individual and \$23,000 for a married person.³ (Even if your income and assets are slightly above this level, you should apply for a subsidy as not all income or assets count in determining eligibility).

In general, if you are eligible for the partial drug subsidy:

- Your monthly premium will be reduced based on your specific income.
- Your deductible will be reduced to \$50 per year.
- Your coinsurance (what you pay for each medication) will be reduced to 15% of drug cost.
- Your coinsurance will be reduced to a \$ 2 co-pay for each preferred drug and a \$ 5 co-pay for each non-preferred drug once your total drug costs reach \$5,100.

Not All Income and Assets Count in Determining Eligibility for the Subsidy

Count

- Income of the applicant and spouse
- In kind gifts or contributions from others (e.g. food, rent/mortgage, utility bills)
- Cash and items readily converted to cash
- Stocks and bonds
- Checking and saving accounts
- Retirement accounts
- Whole life insurance with face value above \$1,500
- Property (other than your primary home)

Don't Count

- Income of other dependents in your household
- Your primary residence or home
- Your car
- A burial space
- Personal items (e.g., jewelry, household goods)
- Funeral and burial expenses up to \$1,500

Next Steps: What I Need to Do to Apply for a Subsidy or Extra Help

In May, the federal government's Centers for Medicare and Medicaid Services began sending letters to many Medicare beneficiaries informing them that they were **automatically eligible** for the low-income subsidy and need not apply. If you got such a letter you should automatically be in the subsidy program. Other Medicare beneficiaries received a letter saying they **may be eligible** for a subsidy. If you got a letter saying you may be eligible you must submit an application in order to get the extra help subsidy. Don't worry if you did not get either letter. You may still be eligible and there is still time to apply. "When in doubt fill it out."

We recommend that you apply for a low-income subsidy or extra help at one of your state Medicaid offices, because they can help you get the benefits of both federal and state programs. To locate the state Medicaid office nearest you, go to www.cms.hhs.gov/states/default.asp or call Social Security at 1-800-772-1213. You can also apply for a low-income subsidy or extra help at a Social Security Administration office, online at www.socialsecurity.gov, or by calling Social Security at 1-800-772-1213. *Even if you are told that you do not qualify for extra help, you are still eligible for Part D prescription drug coverage if you are on Medicare.*

FEDERAL POVERTY LEVEL CHART FOR 2005 *

Please refer to the chart below to determine if your income is near 150% of the federal poverty level. If your income is even close to this level, be sure to apply for the subsidy or extra help.

FAMILY SIZE	100% of FPL	135% of FPL	150% of FPL
1	\$ 9,810	\$13,160	\$14,595
2	\$13,070	\$17,561	\$19,485
3	\$16,330	\$21,962	\$24,375
4	\$19,590	\$26,363	\$29,265
5	\$22,850	\$30,764	\$34,155
For each additional person, add:	\$3,260	\$4,401	\$4,890

¹ To be eligible for a full subsidy, \$1,500 for single/\$3,000 for married of the amount listed must be set aside for funeral and burial expenses.

² Dual eligibles drug plan coverage automatically includes a full extra help subsidy.

³ To be eligible for a partial subsidy, \$1,500 for single/\$3,000 for married of the amount listed must be set aside for funeral and burial expenses.

* These figures include one monthly unearned income disregard (\$240 per year). There are higher levels for Alaska and Hawaii. Also, poverty levels change each year.

Attention Everyone on Medicare:

Medicare Will Now Provide Prescription Drug Coverage

Select a drug plan in your area.

Go to: www.medicare.gov
or call 1-800-MEDICARE

Several drug plans are available in your area. Choose one that will cover the drugs you need, is affordable, and will let you use a pharmacy near you.

If you are also on Medicaid, you will be automatically enrolled in a Medicare drug plan, but you can switch plans.

For people living with HIV/AIDS, all plans must cover all antiretroviral drugs. So, when comparing plans, look for one that covers the other drugs you need.

Apply for extra help to pay for your drugs.

Go to: your local Medicaid Office,
www.ssa.gov, or call 800-772-1213

If your annual income is at or below \$15,000 (individual)/\$20,000 (married), apply now for extra help. It can greatly reduce your prescription drug costs.

MEDICARE DRUG PLAN WORKSHEET

Everyone on Medicare will be able to select which prescription drug plan to join. This may be a difficult decision as the plans offered in your area may all be very different. The key issues to consider are which plan will pay for all or most of the drugs you need, will allow you to fill prescriptions at a convenient pharmacy, and is the most affordable. There may not be a perfect plan, but it is still necessary to compare them and decide which one is best for you. Remember, even if you are automatically enrolled in a drug plan, you have the option of changing to a plan that meets more of your prescription drug needs.

MY MEDICATIONS

It will be helpful to list all of the medications that you are currently taking or think you may need in the future. While all of the drug plans will cover all of your antiretroviral drugs, other medications may or may not be covered.

MY PRESCRIPTION DRUG LIST

Remember to include all the drugs you need for HIV, mental health, cholesterol, hepatitis, pain, high blood pressure, etc...

MY PHARMACY

It will be helpful to list all of the pharmacies that are convenient for you.

CONVENIENT PHARMACY LIST

MY COSTS

In order to look at the plans and determine which one is the most affordable you will need to consider each plan's monthly premium and the amount you will have to pay for preferred and non-preferred drugs (coinsurance or co-pays). There may be a significant difference in the cost of your medications under each prescription drug plan and all of them may cost more than you are currently paying. Remember, if your income is below \$15,000 (individual) or \$20,000 (married), you should apply for an extra help low-income subsidy.

PRESCRIPTION DRUG PLAN COMPARISON CHART

Within the next few weeks you will be receiving information on the Medicare prescription drug plans being offered in your area. This chart is designed to help you compare the drug plans so that you can select the plan that is best for you. Remember, there may not be a perfect plan. But it is important to choose the one that comes closest to providing access to the drugs you need, is affordable, and allows you to get your drugs at a convenient pharmacy.

Example: In this example, Mary applied for and received an "extra help" low-income subsidy. She compared the drugs covered under Plan A and Plan B. She found that Plan A covers all her medications except Pravachol and Plan B covers all of her medications. She also found that Plan A allows her to get her prescriptions at her current pharmacy and Plan B requires her to change pharmacies. Mary decided to enroll in Plan B because it covers all of the drugs she needs and is more affordable, even though she will have to change pharmacies to one that is two blocks further away.

Plan Name	My Drugs Covered?		Missing Drugs	My Pharmacy on Plan?		Best Covered Pharmacy	My Costs
Plan A	Yes	No	Pravachol	Yes	No	Mary's current pharmacy	Full subsidy, but above average plan -- \$10 premium per month. No deductible/Standard co-pays
Plan B	Yes	No		Yes	No	Walton's (Two Blocks away)	Full subsidy and average cost plan -- no premium or deductible. Standard co-pays

Plan Name	My Drugs Covered?		Missing Drugs	My Pharmacy on Plan?		Best Covered Pharmacy	My Costs
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		
	Yes	No		Yes	No		

The New Medicare Drug Benefit Enrollment Information for Health Care Providers

The new Medicare drug benefit, also known as Medicare Part D, starts on January 1, 2006. The drug benefit is complex and may be confusing to your patients. Depending on where your patients live, they will have more than twenty drug plans to choose from, plus a number of Medicare Advantage plans. All of the plans must cover all antiretrovirals, including combination products. However, some of the plans may not cover the **other** drugs your patients need and some may cost more than others. This fact sheet provides you with information to help your patients enroll in the drug plan that best meets their needs. It also provides information on how your low-income patients can apply for help paying for their prescription drugs.

ENCOURAGE YOUR MEDICARE PATIENTS TO ENROLL IN A DRUG PLAN

Enrollment in the new Medicare drug benefit is voluntary. However, for most of your patients living with HIV, enrolling in a Medicare drug plan will be the best option for getting the drugs they need.

Pay Special Attention to Medicare Patients Who Also Rely on Medicaid: Many of your Medicare patients are probably "dual eligible" because their income is low enough to qualify for Medicaid. This is the case for the majority of Medicare beneficiaries living with HIV nationwide. These patients' drug coverage will automatically be switched from Medicaid to Medicare. However, this could result in gaps in drug coverage if patients are not prepared for the change. Dual eligibles are allowed to switch drug plans at anytime. It will be important for dual eligible patients to learn about the plan they have been assigned to and to compare it to the other plans available in their area.

Let Patients Know They Cannot Just Rely on ADAP: Your patients will not be able to rely solely on the AIDS Drug Assistance Program (ADAP) for drug coverage if they are also eligible for Medicare. Patients using ADAP, but also eligible for Medicare, must enroll in a Medicare drug plan or they may lose their ADAP coverage. ADAPs may supplement the Medicare drug benefit by providing co-pays, premiums, deductibles and drugs not covered by the drug benefit. This will vary by state, so contact your state ADAP office to learn what supplemental coverage your state ADAP will provide and how to obtain such coverage for your patients.

Let All Your Medicare Patients Know That Delaying Enrollment Can Result in Added Costs: While enrollment in the Medicare drug benefit is optional for patients who are only on Medicare, such patients may have to pay a penalty if they don't enroll by May 15, 2005, but decide to enroll later. Patients with coverage from another source should receive a letter shortly from their current health plan telling them if their coverage is sufficient so that they will not have to pay a penalty if they switch to a Medicare drug plan after the May 15th deadline. Patients who don't get this letter soon should be encouraged to contact their current drug plans.

ENCOURAGE YOUR PATIENTS TO APPLY FOR A SUBSIDY OR EXTRA HELP

The new drug benefit offers an important subsidy or "extra help" to people with low-incomes. This subsidy will help patients pay premiums, deductibles and other cost sharing. Your Medicare patients with incomes below \$15,000 for a single individual or \$20,000 for a married person may be eligible. If your patients receive "extra help" applications in the mail, encourage them to apply.

Others who think they may be eligible should call 1-800-772-1213, visit www.ssa.gov, or go to their local Medicaid office to apply. (Your dual eligible patients, those who are on both Medicaid and Medicare, will be automatically enrolled in the subsidy program and need not apply.)

HELP YOUR PATIENTS SELECT THE RIGHT PLAN

All Medicare drug plans are required to cover all antiretroviral drugs without restrictions (such as prior authorization).^{*} Antiretrovirals are one of six drug categories where Medicare drug plans are required to cover all drug options. The other categories are: anti-neoplastics, immunosuppressants, anti-psychotics, anti-depressants, and anti-convulsants. For all other drug categories, the Medicare drug plans are only required to cover two drugs per category. Therefore, many drugs within a drug category may not be covered in a particular drug plan.

It is important for your patients to compare the available drug plans in their area and to select the plan that covers the other drugs they need. Your patients should also choose a plan that will allow them to use a convenient pharmacy. Drug plan information such as drug coverage and participating pharmacies is available at www.medicare.gov or by calling **1-800-MEDICARE**.

BE AWARE OF KEY IMPLEMENTATION DATES

Today -- Extra help low-income subsidy applications are now available. Encourage all Medicare beneficiaries who may be eligible to apply.

October 2005 - Information on the drug plans available in your area will be released by the Centers for Medicare and Medicaid Services.

October-November 2005 - Those on both Medicare and Medicaid (dual eligibles) will be automatically assigned to a drug plan.

November 15, 2005-May 15, 2006 - Medicare-only beneficiaries may enroll in the program and dual eligibles can switch to a different plan. Enrollment before January 1, 2006, will help to ensure continuity of care. ADAP patients who are also on or eligible for Medicare should apply to remain eligible for ADAP benefits. Most people who enroll after May 15, 2006, will be subject to a monthly penalty fee.

January 1, 2006 - Medicare Part D prescription drug coverage goes into effect. Dual eligibles will lose their Medicaid drug coverage and begin their newly assigned Medicare Part D drug coverage.

KNOW WHERE TO LEARN MORE ABOUT THE MEDICARE DRUG BENEFIT

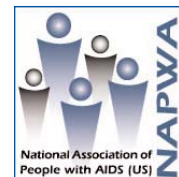
By Phone:

- Information on “extra help” from the Social Security Administration 1-800-772-1213 or Medicare at 1-800-633-4227

Online:

- **Center for Medicare and Medicaid Services (CMS):** www.cms.hhs.gov/medlearn/drugcoverage.asp or www.cms.hhs.gov/medicarerereform/ or www.medicare.gov/medicarerereform/
- **Center for Medicare Advocacy:** www.medicareadvocacy.org
- **American Academy of HIV Medicine:** www.aahivm.org
- **HIV Medicine Association:** www.hivma.org (click on Advocacy and then Medicare)
- **Treatment Access Expansion Project:** www.taepusa.org

^{*}Fuzeon is the only exception to this rule.



Materials prepared through a collaborative Medicare Part D education campaign of the Treatment Access Expansion Project, HIV Medicine Association, American Academy of HIV Medicine, and National Association of People with AIDS.

www.taepusa.org

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