



## Preparing for Change: Medicare Prescription Drug Coverage in 2007 An overview for California Safety Net Providers

Medicare Prescription Drug Plans (PDPs) will change on January 1, 2007. While many patients with Medicare prescription drug coverage will have the option of remaining in their current plan for 2007, changes in plan formularies or cost-sharing require re-evaluating the best plan options for the new plan year.

- The Open-Enrollment Period for Part D coverage in 2007 is November 15 through December 31, 2006.
- **December 8<sup>th</sup>** is the target enrollment date to ensure that coverage changes are in place on January 1.

This short time-frame during the “holiday season” requires planning and focused attention. By helping patients to access individual assistance with enrollment decisions, it is possible to manage upcoming changes to benefit patients and reduce clinic costs for underinsured patients.

### What to Consider to Ensure Patients’ Coverage in 2007

As in 2006, Part D is not a one-size-fits-all benefit. Each patient’s options depend on their current coverage.

#### ⇒ Patients with Medicare & Full Medi-Cal

- Those who retain their “dual status” any time during July-December of 2006 will be deemed eligible for the full Low-Income Subsidy in 2007.
- Duals need priority assistance with plan selection and enrollment prior to December 8th. This will ensure continuous access to necessary prescription coverage despite changes to plan formularies and other variables.
- The list of “Benchmark” plans has changed for 2007. As a consequence, many Duals will be automatically reassigned to a new plan. This auto-enrollment will be confusing to patients and could be complicated by errors.
- Duals may change plans monthly throughout the year. Failure to carefully select a PDP prior to December 8th can lead to a disruption in coverage in January 2007.

#### ⇒ Patients with Medicare Savings Programs (MSP – QMB, SLMB, QI):

- Like Duals, these low-income Medicare beneficiaries will continue to be deemed eligible for the full Low-Income Subsidy in 2007.
- These deemed individuals are not auto-enrolled in a plan upon eligibility. They must self-enroll in a plan. If they fail to do so, they will be facilitated (randomly assigned) to a Benchmark plan after two months of eligibility.
- While MSP beneficiaries may change plans any time during the year, failure to carefully select a plan prior to January 1 can lead to a disruption in coverage.

⇒ **Patients with Medicare and Share-of-Cost Medi-Cal:**

- Beneficiaries who meet their Share-of-Cost any month from July-December 2006 will be deemed eligible for the full Low-Income-Subsidy for all of 2007.
- Patients who do not meet their Share-of-Cost should apply for a Low-Income Subsidy\*, and consider enrolling in a Part D Plan during the open-enrollment period.

⇒ **Patients with Medicare plus other Prescription Drug Coverage (Medigap, Retiree plan, VA benefits):**

- Individuals with prescription coverage that is determined by CMS to be at least as good as Medicare Part D (“creditable coverage”) do not have to enroll in a Part D plan. Check with patient’s insurance provider to find out if coverage is creditable.
- If current prescription coverage is not creditable, the patient should consider enrolling in a Part D plan during the open-enrollment period for Part D coverage in 2007. This will prevent future late-enrollment penalties.
- Screen patients to determine potential eligibility for a Low-Income Subsidy\* and provide application assistance at [www.ssa.gov](http://www.ssa.gov)

⇒ **Members of Medicare Advantage (MA) Plans:**

- In 2007 new varieties of Medicare Advantage Plans are offered in California.
- Some types of MA plans provide prescription coverage, and others do not.
- Some MA plans allow enrollment in a Stand-Alone Part D prescription drug plan, and others do not.
- Due to the complex rules and variations among MA plans, patients who have questions about MA plan enrollment or options for prescription coverage should contact the Health Insurance Counseling & Advocacy Program at 1-800-839-0393 for guidance before taking any plan enrollment steps.

⇒ **Patients with No Prescription Coverage:**

- The open-enrollment period is the only opportunity to enroll in a Part D plan for 2007 outside of special enrollment periods.
- Select the plan that covers the patient’s medications at the lowest cost in order to maximize compliance with medication regimen.
- Cumulative late enrollment penalties are assessed for Medicare patients with no prescription coverage.
- Screen patients to determine potential eligibility for a Low-Income Subsidy\* and provide application assistance at [www.ssa.gov](http://www.ssa.gov)

**\* Notice regarding Low-Income Subsidy in 2007:**

Patients who applied for and were awarded a Low-Income Subsidy in 2006 will continue to be awarded the same level of subsidy for 2007, unless they report changes in income, assets, or household size to Social Security. Social Security will cross-check other government records to verify that there was no change in eligibility. See “LIS document “ for details.