

Money for Life

October 2005

Dear Readers,

This month's "Money for Life" newsletter provides additional information from the Iowa "Senior Health Insurance Information Program" on the new Medicare prescription drug coverage.



Phyllis Zalenski
Family Resource Management Specialist
Iowa State University Extension



Medicare Supplement Plans

If you have a Medicare supplement plan with drug coverage you will get a notice before November 15th from your insurance company. It will explain how your plan will work with Medicare drug coverage and your options.

If you have a Medicare supplement policy H, I, or J with drug coverage you must decide if you want to keep it or choose a different policy.

- If you keep the original H, I, or J plan with drug coverage and do not enroll in a Medicare drug plan you will pay a higher premium if you decide to enroll at a later date.
- If you decide to enroll in a Medicare drug plan during the initial enrollment period, you can keep plan H, I, or J with the prescription drug coverage removed or choose a different Medicare supplement plan. Your choices will be plans A, B, C, F, K, or L.

Employer/Union Plans

Before November 15th your employer will notify you if your plan's prescription benefit is as good as, or better than the Medicare prescription drug plan. If your employer drug plan is as good as or has better coverage than Medicare drug coverage, you can stay with that plan and join a Medicare prescription plan later without paying more. Make sure you keep the notice with your important papers. This is your proof to protect you from a higher premium at a later time. If your prescription drug plan offers less coverage than Medicare drug coverage, you can keep your plan and add a Medicare drug plan to give you more complete coverage.



Plans with No Coverage

If you are enrolled in a Medicare supplemental that does not have prescription drug coverage, you need to carefully consider your options.

- You can keep your supplement and enroll in Medicare prescription drug coverage.
- You can keep your current coverage and not enroll in a Medicare plan. If you do not enroll during the six month enrollment period, you will have to pay a higher premium if you choose to enroll at a later time. The longer you wait to enroll the higher the premium will be.
- You can choose to receive your Medicare benefits, include Medicare drug coverage, through a Medicare Health Plan, such as a PPO or HMO, instead of through traditional Medicare and a supplement.

Medicare Health Plans

If your Medicare Health Plan provides drug coverage equal to or better than Medicare's coverage you are not eligible to enroll in a Medicare prescription drug plan. Your Medicare Health Plan will notify you before November 15th if your coverage meets the requirements.

Military/Veterans Benefits

Individuals enrolled in TRICARE-for-life and/or receiving veteran's prescription benefits do not need to enroll in a Medicare plan. Both of these programs are considered to be comparable to Medicare's drug coverage.

Prescription Assistance

Individuals whose income and resources fall below a set amount will qualify for extra help paying their premium and for some of the cost of their prescriptions. If you are on Medicare and receiving full Medicaid benefits, you will be automatically enrolled in Medicare's drug coverage and get the extra help. This replaces your Medicaid drug coverage beginning January 1, 2006.

If you have a limited income but do not qualify for Medicaid coverage for your prescription drugs, you will still qualify for extra help with your prescriptions if your income is below 150% of poverty (\$14,355 if you are single and \$19,245 if you are married based on 2005 poverty figures) and your resources are below \$10,000 for singles and \$20,000 for married. Additional help is also available for persons with incomes below 135% of poverty.

If you think you qualify for help paying the costs of Medicare's prescription drug coverage, enrolling is a two step process.

1. First, to apply for the extra help paying prescription plan costs, contact your local Social Security office. Enrollment can be done by mail, telephone or online. SHIIP counselors are available to assist you with your application.
2. After signing up for the extra help you must select a Medicare drug plan. Enrollment in the plans will begin on November 15, 2005.

Information and Resources

Medicare

www.medicare.gov

1-800-MEDICARE

Senior Health Insurance Information Program

1-800-351-4664.

www.shiip.state.ia.us

shiip@iid.state.ia.us

Newsletter contact information:

Phyllis Zalenski
605 E. Main
Anamosa, IA 52205
319-462-2791
319-462-4572 (FAX)
zalenski@iastate.edu

IOWA STATE UNIVERSITY
University Extension

... and justice for all

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.