

THE NEW MEDICARE PRESCRIPTION DRUG COVERAGE



ALASKA

Medicare's new prescription drug insurance—called Medicare Part D—began January 1, 2006. To get this insurance, most people will have to sign up for one of the Medicare- approved Part D plans. For people with limited income, the new prescription drug coverage offers Extra Help with premiums, an annual deductible, co-pays, as well as unlimited drug coverage. Extra Help can greatly reduce prescription drug costs for those who qualify.

Alaska already runs three programs that help people with limited income pay for their drugs and a fourth program that helps pay for other Medicare-related costs such as Medicare premiums. Those programs are: Medicaid, the Alaska SeniorCare Prescription Assistance Program, the Alaska AIDS Drug Assistance Program (ADAP), and the Medicare Savings programs.

As a result of the passage of Medicare Part D, however, these programs are changing. If you now receive assistance in paying for your drugs through one of these programs, you will need to understand how your drug program will work with the new prescription drug plans. Since changes are still being made to Alaska's programs, it is always best to check with your drug program directly to get the most current information and advice. You may also want to check to see if you may be eligible for more benefits. Contact information for each of Alaska's programs is listed at the end of this document.

For People on Medicaid and Medicare

Starting in January 1, 2006, you will get your prescription drug coverage through Medicare instead of Medicaid. You will pay very little or nothing for each covered prescription. In November, Medicare should have sent you a letter telling you which plan you have been enrolled in—with instructions on how to change plans if you want to do so.

You may want to change prescription drug plans to make sure you have a plan that best matches the drugs you are currently taking. You can ask your local Public Assistance office or the Alaska SeniorCare office to help you decide if you should switch plans.

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How much will I have to pay for my drugs? It depends. You won't have to pay any premiums or a deductible. If you live in a nursing home, there will be no costs. For others on Medicaid, the co-pay for each prescription will be \$2 for generic drugs and \$5 for brand name drugs. Unlike Medicaid, your pharmacist cannot fill your prescription unless you can make the co-pay.

Alaska Senior Care Prescription Assistance Program

This program helps pay for drugs for people age 65 and older who have limited income.

If you are single and your income is less than \$16,133 and your assets are less than \$6,000, you are eligible for monthly cash assistance of \$120.

If you are married and your joint income is less than \$21,641 and your assets are less than \$9,000, you are both eligible for monthly cash assistance of \$120.

If you are single and your income is between \$16,133 and \$20,913 and your assets are less than \$50,000, the Alaska SeniorCare program will pay your Medicare Part D monthly premiums and annual deductible.

If you are married and your joint income is between \$21,641 and \$28,053 and your assets are less than \$100,000, the Alaska SeniorCare program will pay the Medicare Part D monthly premiums and annual deductibles for both of you.

Will I have to sign up for a prescription drug plan? Yes. If you are on Medicare now, you will have to sign up with a plan. You will be able to choose from several different plans. You should have signed up between November 15 and December 31, 2005, so that you would have all your benefits in 2006.

Will I have to apply for Extra Help? Yes. You can apply at any local Social Security office or through your local Public Assistance office.

How will this change affect what I have to pay? It depends on your income, but you may pay less for your drugs than you do now if you qualify for Extra Help.

If you qualify for Extra Help, you won't have to pay a premium. If your income is higher, you may have to pay a monthly premium between \$20 and \$33 but SeniorCare may help with this cost.

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Depending on your income, you may have to pay either a \$50 or a \$250 deductible before your plan starts to help pay for your drugs. SeniorCare may help with this cost.

Like SeniorCare, you will have a co-pay for each prescription you fill. If you qualify for Extra Help, your co-pays will probably be \$2 for generic drugs and \$5 for name brands. If you don't, your co-pays will be higher.

Alaska AIDS Drug Assistance Program (ADAP)

ADAP pays for many drugs used to treat HIV disease and may also purchase health insurance for eligible clients. ADAP eligibility is based on financial criteria and an eligibility determination that is done through the case manager at the Alaskan AIDS Assistance Association.

Will I have to sign up for a prescription plan? Yes—if you are on ADAP and are eligible for Medicare, you must sign up for a prescription plan. This does not necessarily mean you will be terminated from ADAP.

Should I apply for Extra Help? Yes. You can apply at any local Social Security office, or through your local Public Assistance office. Your ADAP case manager may also be able to answer your questions.

How will this change affect what I have to pay? The cost to you will depend on a number of different factors, including whether or not you qualify for Extra Help through Medicare. If you participate in a Medicare prescription plan, it will provide coverage for all of your prescribed medications and not just HIV-related medications.

Medicare Savings Programs

These programs, such as the Qualified Medicare Beneficiary (QMB), the Qualifying Individuals (QI), and the Specified Low Income Medicare Beneficiary (SLMB), provide assistance to qualified individuals by paying their Medicare premiums—and in some cases, prescription drug co-pays.

Will I have to sign up for a prescription drug plan? Yes and No. People on Medicare Savings programs will be randomly enrolled in a prescription drug plan after May 15, 2006—if they haven't already signed up. It still might be a good idea to sign up for a plan, so you will be able to choose one that works best for you—and so your benefits start sooner. There are no premiums and drug costs will be very low.

Will I have to apply for Extra Help? No. You will automatically get Extra Help so you don't have to apply. This means that you only have to pay

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between \$2 and \$5 for each prescription. You should have received a letter telling you that you qualify for Extra Help in October or November.

How will I know what my plan is? In May 2006, Medicare will send you a letter telling you which plan you are signed up with (unless you have already enrolled on your own) and how to change plans if you want to.

Does it matter which plan I am signed up with? Probably. You might want to choose a plan that offers as many of the drugs you are currently taking as possible. You can ask the Alaska SeniorCare Information Office or your local Public Assistance office for help in choosing the best plan for you, but you are limited to the plans that work with the Medicare Savings Program.

[More information about the new prescription drug coverage](#)

How do I choose a prescription drug plan? The first step is to make a list of all the drugs you take (your pharmacist will generally print out a list of your drugs if you ask). You are then ready to compare your drug list with the drugs available on a prescription drug plan. The individual plans do not have to cover all drugs, but they must offer at least two drugs in each of the specified drug categories. If you have access to the Internet, you can compare drug plans online at www.medicare.gov. Medicare's website will allow you to compare the plans point by point, such as premiums, co-payments, and which drugs they cover. If you don't have access to the Internet, you can get the same kind of information by calling Medicare at 1-800-633-4227. Or, you can contact the Alaska SeniorCare Information Office or your local Public Assistance office for help in choosing the best plan for you.

Will my prescription drug plan cover all my drugs? Maybe. All plans are required to offer at least two drugs in each specified category, but there are lots of drugs they can choose from. A prescription drug plan's preferred drug list—or formulary—will therefore vary from plan to plan. For instance, all plans will be required to offer at least two drugs for the treatment of diabetes. There are many diabetic drugs (including brand name and generic drugs) that could be prescribed by your doctor. It's up to the particular drug plan which drugs to offer for the treatment of diabetes.

Barbiturates, some anxiety drugs, and drugs to help you gain or lose weight will not be covered by any Medicare-approved prescription drug plan. Medicaid may help pay for any of these drugs (check with the Alaska Public Assistance office), but if not, you may have to pay for these types of drugs yourself.

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It's also possible to ask for a formulary exception.

The new Medicare prescription drug law provides a way for you to appeal to try to get a drug that is not on a plan's drug list. You, your doctor, your pharmacist, or a personal representative can file a formulary exception request by providing information to the drug plan sponsor about why a particular drug is "medically necessary." With the help of your doctor or pharmacist, you will need to explain why the drug on the plan's list is not as effective and/or why the plan's drug would cause you "harmful side effects." If the formulary exception is granted, it is good for one year, but you can re-file to extend the exception in the next plan year.

If your plan won't give you a formulary exception, you will generally have to pay for the drug yourself or switch to a different drug that is on your plan's list.

How do I apply for Extra Help? You can apply at any local Social Security office or local Public Assistance office.

If I qualify for Extra Help, what will I pay for my drugs? It depends on your income and your assets.

If you get full Medicaid benefits and have an income less than \$11,950 (single) or \$16,030 (couple), you will have unlimited drug coverage (for drugs covered by Medicare Part D), no monthly premium, no annual deductible, and a co-pay of \$1 for generics and \$3 for brand name drugs.

If you receive Medicaid but your income is higher than \$11,950 (single) or \$16,030 (couple)—or you receive Supplemental Social Security Income (SSI)—or you are on a Medicare Savings program, you will also have unlimited drug coverage (for drugs covered by Medicare Part D), no monthly premium, no annual deductible, and a co-pay of \$2 for generics and \$5 for brand name drugs.

Where can I get more information?

Alaska ADAP

1-800-478-2437

907-263-2050 (Alaskan AIDS Assistance Association)

Alaska Public Assistance Offices

907-465-3537 (Juneau) or 1-800-478-3537

907-269-6000 (Anchorage) or 1-800-478-4372

907-235-6132 (Homer)

907-543-2686 (Bethel) or 1-800-478-2686

907-451-2850 (Fairbanks) or 1-800-478-2850

907-283-2900 (Kenai) or 1-800-478-9032

907-225-2135 (Ketchikan) or 1-800-478-2135

907-486-3783 (Kodiak) or 1-888-480-3783

907-442-3451 (Kotzebue)

907-443-2237 (Nome) or 1-800-478-2236

907-747-8234 (Sitka) or 1-800-478-8234

Alaska SeniorCare Information Offices

1-888-352-4150 (Toll free)

907-352-4150 (Wasilla)

1-800-478-6065 (Toll free)

907-269-3680 (Local, Anchorage)

Medicare Savings Program

1-800-633-4227

Social Security

1-800-772-1213 (Toll free)

1-800-325-0778 (TTY for people with hearing loss)

For our FREE educational guide, visit
www.aarp.org/medicarerx or call
1-888-OUR-AARP (1-888-687-2277).