

Attorney Timothy P. Crawford, CPA, CELA*, CAP**
wanted to share this information with you.

MEDICARE PART D PRESCRIPTION DRUG COVERAGE

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The addition of Medicare Part D prescription drug coverage is the single biggest change made to the Medicare program since its inception. Beginning November 15, 2005, all 42 million elderly or disabled individuals who are entitled to Part A Medicare and/or enrolled in Part B, will be able to voluntarily purchase Part D drug benefits that will become effective beginning January 1, 2006. The initial enrollment period will extend from November 15, 2005 to May 15, 2006.

“Dual eligible” individuals, those who receive both Medicare and Medicaid, will lose their drug coverage under Medicaid when Part D begins. They will be automatically enrolled into a prescription drug plan. All other Medicare beneficiaries can enroll voluntarily. Those eligible who have not enrolled by May 15, 2006, will pay a 1% penalty per month for every month they wait to enroll. Medicare beneficiaries with other prescription drug coverage (employer or retiree based plans) may choose to enroll or not.

Medicare Part D will be run through private drug companies who are awarded contracts by the government. These will be known as Prescription Drug Plans or PDPs. Each PDP will be different and may change its plan periodically. All plans will include a deductible of \$250 or more, a premium of at least \$37 per month and 25% co-insurance up to \$2,250. Then, after paying that amount, the beneficiary must pay 100% of drug costs up to \$5,100 (this lack of coverage is referred to as the “doughnut hole”). Once the individual has reached this level, Medicare will pay 95% of the prescription drug charges. Low income individuals (up to 50% of the federal poverty level) may be eligible for a subsidy to help defray some of the costs of Medicare Part D.

There are several factors to consider in choosing a PDP.

- Service Area – You must choose a PDP that covers the area where you live even though you may prefer a plan that is offered in a nearby area.
- Benefits – There will be many variations in benefits offered. Compare plans carefully.

- Cost Sharing – Deductibles and co-pays will vary.
- Formulary – Each PDP will have a set of covered drugs. Plans must provide for certain specified medication groups, but not for all FDA approved drugs. Be sure your most frequently used medications (and/or your most expensive) are covered by the PDP.
- Pharmacy Access – Different PDPs will have different pharmacies in their plan. Choose a PDP that includes your preferred pharmacy.

As with any new program, Medicare Part D may be initially confusing. For further information and to find help in choosing a program, contact the National Senior Citizen's Law Center at www.nsclc.org or the Center for Medicare Advocacy at www.medicareadvocacy.org or the Centers for Medicare and Medicaid Services (CMS) at www.medicare.gov or by calling (800) 633-4227. You may apply for Medicare Part D at your local Social Security office or online at www.ssa.gov.

**“Those Who Plan Ahead Win.
Those Who Don't Plan Ahead Lose.”**

This article is not intended as legal advice. It is basic information. I would recommend that you call Attorney Timothy P. Crawford for a free conference to discuss your situation in more detail. Attorney Timothy P. Crawford can be reached toll-free at 1-888-634-6675. When you call in, please mention the fact that you have read this article.

*Attorney Timothy P. Crawford is a Board Certified Elder Law Attorney(CELA). He has been Board Certified by the National Elder Law Foundation which has been approved as the Sole Certifying Organization for Elder Law Attorneys by the American Bar Association.

**Timothy P. Crawford was invited to join the Council of Advanced Practitioners of the National Academy of Elder Law Attorneys (NAELA) in August of 2005. The Council of Advanced Practitioners (CAP) is a small group of premier elder law attorneys, all of whom have been members of NAELA for at least 10 years, are certified as elder law attorneys by the National Elder Law Foundation, and are AV rated the top in the nation by Martindale Hubbell. A Service that provides an independent rating of the quality of attorneys.

**GREATER MILWAUKEE AREA OFFICES IN BROOKFIELD, GLENDALE,
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