



Medicare: Issue of the Day

January 16, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

The New Prescription Drug Benefit: Eligibility and Enrollment:

- ✧ The new Medicare Modernization Act (MMA) will provide **all 41 million Medicare beneficiaries with access to prescription drug coverage**. Beneficiaries will have the choice of enrolling in the new Medicare drug benefit, called Medicare Part D. Anyone who is entitled to Medicare Part A or enrolled in Part B is eligible to join Part D. Beneficiaries may remain in traditional Medicare and receive prescription drug coverage through drug-only plans or join a Medicare Advantage plan that offers comprehensive benefits.
- ✧ The new Part D drug benefit will be delivered by private health plans. Joining Part D will involve selecting an approved plan and enrolling in it for the year. Initial open enrollment for Part D will begin November 15, 2005 and will run for six months to May 15, 2006. In later years, open enrollment will run from November 15 to December 31 for the next benefit year. The enrollment periods for drug-only plans and Medicare Advantage plans will run concurrently.
- ✧ Beneficiaries will have two main options for how they receive their Part D drug benefit.
 - Those who wish to remain in traditional Medicare may elect to join a stand-alone prescription drug plan (PDP) that adds drug benefits on top of regular Medicare;
 - Those who wish to receive all their medical and drug benefits from one source can join a Medicare Advantage (MA) plan, which will provide an integrated benefit.
- ✧ **No senior will be forced to buy coverage that they don't want or need.** People who prefer not to have prescription drug coverage needn't sign up for the new benefit. However, beneficiaries who choose not to join Part D at the first opportunity may face a late enrollment penalty if they later choose to enter the program. This penalty is similar to a penalty currently in place for late enrollment in Medicare Part B and is meant to make sure that people don't wait until they are sick to sign up.
- ✧ Beneficiaries who have other sources of drug coverage – through a former employer, for example – **may stay in that plan and not enroll in Part D**. If their other coverage is at least as good as Part D (and therefore considered “creditable coverage”), then the beneficiary can avoid any late enrollment penalties when or if they later join Part D.