

Possibly the most confusing and misleading Medicare plan!!!!

Medicare beneficiaries have the option of enrolling in Medicare Part D to get help with their prescription drug costs. Medicare prescription drug coverage is available in two ways. If you have Original Medicare (Part A and Part B), Medicare Part D **is not** automatically included. Instead, you can get this coverage by *enrolling in a stand-alone* Medicare Prescription Drug Plan that works alongside your Original Medicare benefits.

You can get prescription drug benefits by enrolling in a Medicare Advantage plan that *includes this coverage*. These plans give you the option to get your Medicare health and prescription drug benefits covered under a single plan.

The Medicare Prescription Drug, Improvement, and Modernization Act (also referred to as the Medicare Modernization Act or MMA) is a federal law *passed in 2003 that set the stage for a major overhaul of the entire Medicare system*. This law was part of an effort to provide adequate access to prescription medications for all beneficiaries at the lowest possible cost. Plans developed from this law are often referred to as Medicare Part D Prescription Drug Plans. Medicare Part D coverage is available through Medicare Approved private insurance companies, so costs and availability may differ between Medicare plans, insurance companies, and location.

The Medicare Part D Program Might Have Some Serious Flaws!

Many Part D beneficiaries believe that Part D Plans are the **most confusing and misleading** Medicare plans!!!!

- Plans might offer the same drug but have placed them in different tiers leading to different copays.
- Most insulting is that many times the same drug can be purchased for CASH with no insurance for less than copays of the Part D insurance that a premium is being paid.

Medicare Part D eligibility and enrollment:

You're eligible for Medicare prescription drug coverage if, enrolled in Medicare Part A *and/or* Part B, and also live in the service area of a Medicare plan that includes prescription drug coverage.

Instead of staying with Original Medicare (Part A and Part B) and enrolling in a stand-alone Medicare Part D Prescription Drug Plan, you may be able to sign up for a Medicare Advantage Plan available from private Medicare-approved health insurance companies, which in some plans Prescription Drug coverage is included along with other additional benefits, such as routine vision or hearing services. These types of plans deliver all your Medicare Part A and Part B benefits besides hospice care, which Medicare Part A covers directly (instead of through the Medicare Advantage plan).

Keep in mind that Advantage Plans may have some potential concerns you should be aware of.

- **A smaller network of providers, not all Medicare providers participate.**
- **May be required to follow strict rules**
- **High annual out-of-pocket costs can range from around \$3000 to \$6500.00 or more.**
- **Plans are NOT STANDARDIZED. Doctors can leave plans, but you may not!**

Medicare Part D late-enrollment penalty:

Medicare Part D is optional coverage, and you don't have to get it. Even if you're not currently taking prescription medications, **it's a good idea to sign up for Medicare Part D as soon as you're first eligible**. If you don't enroll in Medicare Part D, **make sure you have other creditable prescription drug coverage**, which is insurance that is as good as the standard Medicare prescription drug benefit. Also, by not enrolling when you're first eligible and go without creditable prescription drug coverage for 63 days in a row or more, you could face a late-enrollment penalty **(12% per year)** if you sign up for Part D later. This penalty comes in the form of **an extra cost that is added to your monthly Medicare Part D premium**; you may have to **pay this higher premium permanently**. Some employer-sponsored health plans may be considered creditable coverage, but not all employer coverage is. **Maybe the best reason for enrolling in Part D when first eligible is if you need prescription coverage after open enrollment you will have to wait till the next open enrollment!** So, if you were **prescribed a very expensive medication, that expense is yours until you become eligible again at open enrollment.**

Adding or switching Medicare Part D Prescription Drug Plans:

Eligible Medicare beneficiaries for Medicare Part D, can enroll in a stand-alone Medicare Prescription Drug Plan or Medicare Advantage with Prescription Drug plan during certain times.

Your first opportunity to enroll in a Medicare Prescription Drug Plan is during your **Initial Enrollment Period (IEP)**, when you are first eligible for Medicare. This coverage is optional, but if you don't enroll when first eligible, you might have to **pay a late-enrollment penalty** if you sign up later.

The **Annual Election Period (AEP, also called Open Enrollment)** offers another chance to sign up for, or switch, Medicare Prescription Drug Plans. You can make several Medicare coverages changes during the AEP, which generally runs from **October 15 to December 7 every year**.

In certain situations (for example, if you lose health coverage that you had), you might qualify for a **Special Election Period (SEP)** when you can enroll in a Medicare Prescription Drug Plan. For instance, you might qualify for a SEP if you move outside your plan's service area, or if you move into or out of an institution such as a long-term care facility.

Explanation of Copayments and Coinsurance:

A copayment, or copay, is a fixed dollar amount for your prescriptions. For example, you might have to pay \$5 for a generic drug, \$30 for a "preferred" brand name drug and \$50 for a non-preferred brand name drug.

A coinsurance is a percentage of the price of your prescription. Typically plans require coinsurance for drugs listed in higher tiers like tier 4 and tier 5 drugs. For example, if your prescription costs \$350, and your coinsurance is 25%, you will pay \$87.50. Sometimes you can **purchase for cash (not even using the Part D insurance) and pay less than the copays or coinsurance of the plan**. It is possible that some of your medications require a fixed copayment and others a coinsurance. **Be sure to check the cost of each medication you take with the plan, also check the cash price.** Each plan will encourage the use of the lowest-cost drug to treat your medical condition. A drug on a lower tier will cost less than a drug on a higher tier.

What is the coverage gap or so called "Donut Hole"?

This is the point in your Part D benefit in which most Medicare Part D plans **stop paying for your drugs, sometimes called the "donut hole."** This *potential* coverage gap is when you might pay a higher portion of your prescription medication costs. *Not everyone* reaches this coverage gap. Each year, people who enter the coverage gap will pay a smaller percentage of prescription drug costs until the Medicare **"donut hole" is finally closed in 2020**, and there's no longer a temporary increase in

your prescription drug costs. If *you and your Medicare Prescription Drug Plan* spend a certain combined amount on prescription drug costs during a calendar year you may reach the coverage gap.

- The coverage gap begins when your total drug costs (**what you and your plan pay**) reaches **\$3820.00**.
- While in the coverage gap, in most cases you pay up to 37% of the costs of generic drugs and up to 25% of brand-name drug costs, for any drug tier (in 2019).
- If you have a limited income and resources, you may qualify for help with your Part D costs.

When does the coverage gap end and catastrophic coverage start?

In Part D, you and the plan you join share the cost of drugs. The money that *you spend* is called *your out-of-pocket costs*. That determines if and when the catastrophic coverage begins. In 2019, catastrophic coverage starts when **you have paid \$5,100 out of pocket**, about **\$7,700 in total drug costs**. If your total drug costs are more than \$7,700 in 2019, *all the Medicare Prescription Drug Plans will cover at least 95% of your drug costs for the rest of that year*.

- Once you have spent \$5,100 of your own money for drugs in 2019, you would then pay a small copay or 5% coinsurance of the cost of your drugs for the rest of the calendar year.
- There is no cap or limit on the number of drugs you can obtain after you have spent \$5,100 out of pocket.
- Your drug plan will keep track of your out-of-pocket drug costs. They will send you a report each month you buy drugs.

Costs and coverage for Medicare Part D Prescription Drug Plans:

Costs and coverage vary among Medicare Part D Prescription Drug Plans, depending on *the area you live in* and the Medicare-approved *private insurance company offering the plan*. This means that Part D **plans could vary, by county within the same state**, you may not have access to the same Medicare Part D Plan as someone in another area. **Monthly premiums might differ as well**. Each Medicare Prescription Drug Plan developed by a *private insurance company* could have **its own formulary**. The formulary is a list of prescription drugs the plan covers, **organized into “tiers”**. Each plan places drugs it will pay for in different levels, these levels are called tiers. Each tier has its own copay or coinsurance amount. Your drugs may be included in all the plans in your area or maybe NOT, but they could be listed on different tiers with different copay amounts. **A plan formulary may change at any time**. **Keep in mind that if you fill a prescription that is not in your plan’s formulary, then you may be responsible for the full retail cost of the drug**. If your Medicare Prescription Drug Plan or Medicare Advantage Prescription Drug plan doesn’t cover a prescription drug that you and your doctor think you need, you have a right to ask for an exception to get that medication covered. You can submit an exception request to your Medicare plan by phone or in writing, and the plan must respond with its decision within 72 hours of receiving your request. If you need a decision sooner because waiting 72 hours could endanger your health, you also have a right to request an expedited request. If you submit an expedited request, your Medicare plan must notify you within 24 hours whether it has approved your exception.

Some Information About Medicare Part D Premium:

The average nationwide monthly premium for 2019 is \$34, although plan costs vary depending on the plan you choose and where you live. **Some plans have a deductible!** The deductible usually does

not apply to Tier 1 or 2 drugs. The deductible will mostly apply to Tier 3 and above. The plan usually will not pay for your prescriptions until you pay the deductible amount out-of-pocket. **The highest deductible a plan can charge in 2019 is \$415.** Some plans offer \$0 deductible and will pay for your prescriptions right away, those plans can have a higher premium. Other plans may offer a deductible lower than the maximum of \$415 like \$150 or \$250 and may also start at Tier 1 or 2.

MAY WE HELP YOU?

If you are new to Medicare or looking at a possible change from your present policy, you are at the right place. We know you have options when it comes to your medical insurance and prescription coverage, we want to be sure we're always your best choice. With **28+ years of experience** we will provide the guidance you need *helping understand the value and more important (non-value) in a policy.* Let a **licensed Medicare Specialist** work with you, explain options to help find the proper **Medicare Supplement, Medicare Advantage Plan** or the yearly changes of the **Part D Prescription Drug Plan.**

If you're ready to discuss your Medicare Options, we'd welcome the opportunity to share our nearly **30 years of experience**.... From the *comfort of your home or office* you can use **TELE-VIDEO CONFERENCING** with **your own computer or iPad (no special equipment needed)**. Screen sharing enables the invited participant (you) to see the screen of the presenter (agent), while the parties are talking by phone. This can help enhance communication by allowing to share solutions and demonstrations step-by-step, users can collaborate with one another and view the same information in real-time.

Let's Get Started:

Go to our Website: www.DavecolInsurance.com Open the **Contact Us Link** **Complete the PRESCRIPTION FORM** and submit your prescriptions information and we will do a comparison to help find Part D Plan(s), that will help in the selection of the correct plan. Then we will contact you with the comparison chart and suggestions. (This service is only for existing clients or those prospects that have submitted a New Medicare Application or Change of Coverage Application).

PLEASE NOTE: WE STRONGLY RECOMMEND A CONSULTATION BEFORE QUOTING. This conversation allows us to review your prior coverage, needs, wants, financial concerns, plan values, benefits, cost cuts to Medicare and price reductions. **This helps us help you in making the BEST Plan choice.**

If you would rather have some questions answered first - Call or Email.

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