



# What Health Care Reform Means to You: Medicare Part D

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## Medicare Prescription Drug Coverage & Health Care Reform

The [Patient Protection and Affordable Care Act](#) is a historic health care reform bill that will transform access to health insurance for people with epilepsy. There will be an end to pre-existing conditions exclusions and denials of coverage due to their health status. Along with the consumer benefits to provide free (or nearly free) routine preventive care, limit out-of-pocket expenses (such as deductibles and co-payments), and eliminate lifetime caps (or annual limits) on health insurance coverage, individuals will have more financial and coverage security than the current system provides. For those on Medicare, there is a great relief that the “donut hole” or coverage gap will be eliminated.

**What is the “Donut Hole”?:** The “donut hole” is a gap in coverage where you as the consumer have to pay 100% of your drug costs. In 2010, people on Medicare reached the donut hole once their drug costs were \$2,830. This meant that from \$2,830.00 to \$4,550.00 in drug costs, the Medicare beneficiary paid 100% of their prescription drug costs (unless their plan offered some gap coverage). After drug costs reach \$4,550 catastrophic coverage begins, this is a 5% coinsurance on covered prescription drugs.

**How did Health Care Reform Change in Medicare Donut Hole?:** Medicare beneficiaries will have some relief from this coverage cap as \$250 rebates for those in the coverage gap will be given in 2010. Starting next year, drug costs will be reduced during coverage gap and a 50% discount will be in place for covered brand name prescription drugs. Over time, until completely phased out in 2020, Medicare beneficiaries will pay less for both covered Part D brand name and generic prescription drugs. For more information on the donut hole and reform: <http://www.medicarerights.org/pdf/Closing-the-Doughnut-Hole-Chart.pdf>

**When can I expect to see changes to my Medicare Part D plan?:** Plan changes for coverage during the donut hole will begin next year. It is important to review your Part D coverage during open enrollment to ensure that you are getting the best option for your prescription drug coverage, costs and needs. Open enrollment is between November 15 and December 31 of every year, this is the time you can change or enroll in the Medicare prescription drug benefit (Part D) plan. After this enrollment period, new coverage will begin January 1.

**Do I need to change my Part D plan?:** It is important to review your plan during open enrollment and compare options to ensure that you will have coverage for the medication you need and that you are receiving the best buy for your prescription drugs (pay close attention to formularies, copays and coinsurance). If you have questions, contact the plans directly to find out what the costs would be for your prescriptions.

All areas of coverage should be reviewed; obviously consumers will pay the closest attention to their higher costs medications. It is important to know if your prescription drugs are covered, if they are covered immediately without requiring a physician authorization or appeal, and at what cost to you. Most plans separate prescription drugs into levels called tiers, often name brand or expensive medications are on the highest consumer cost tier. Be sure to understand your costs for prescription

drugs under your plan. You should understand and compare all of the costs: monthly premiums, copays for your prescriptions, and the deductible.

**For more information:**

- <https://www.epilepsyfoundation.org/epilepsyusa/news/President-Obama-Signs-Health-Care-Reform-In-to-Law.cfm>
- <http://www.medicarerights.org/>
- <http://www.maprx.info>
- [www.medicare.gov](http://www.medicare.gov)
- [www.healthreform.gov](http://www.healthreform.gov)

### **Background on Medicare Part D Coverage**

**Who is Eligible for Medicare Drug Coverage?:** Medicare Prescription Drug Plans (Part D) are available to everyone who participates in Medicare and chooses to enroll. Part D plans are managed by insurance and private companies and are approved by Medicare. If you are on Medicare and do not enroll in a Part D you could face a **lifetime penalty** (a 1% addition to your Part D premium for every month you failed to enroll *after* you become eligible if you have no other creditable coverage). Medicare beneficiaries under age 65 who incur this penalty get one chance to have it forgiven when they turn 65 and take advantage of a second Initial Enrollment Period.

**It is important to note that not everyone will need a Part D plan.** If you have prescription drug coverage now that is just as good as a Medicare prescription drug plan, then your current coverage is considered “creditable coverage” and you probably do not want to enroll in a Part D plan. You can enroll later if you lose that coverage or it ends, and if you have “creditable coverage” then you will not have higher premiums for enrolling in Part D later in life. Your current insurance provider is required to let you know if your coverage qualifies as “creditable coverage” it is important to know this when deciding whether to enroll in Part D and you can contact your insurer if you have questions.

**Why You Should Consider Enrolling in Part D:** Generally speaking, you will likely pay less for your prescription drugs by having coverage. If you have limited income and resources, you may get extra help to pay for your Medicare drug plan costs. If you want to compare Medicare prescription drug plans, use the [Medicare Prescription Drug Plan Finder](#).