

Helping Loved Ones Get the Meds They Need

There's a new way for seniors to pay for expensive drugs—Medicare's Part D. But the deadline is May 15, and many feel overwhelmed by the enrollment process. Here's help understanding it—for ourselves, our parents and the grown folks among us.

February 16, 2006 By Shawn Rhea

Drug prices have risen so high—\$160 per month for the average senior—that many have to choose between groceries or lifesaving meds. For years, Laura Bugg, 72, and John Bugg, 79, have been lucky, relying on his retirement benefits to cover their sizable prescription drug costs. Each year they'd sort through the plan to make sure their meds were still covered. But recently, they and seniors across the nation were presented with an alternative: Medicare Part D, the federal government's new prescription drug plan for seniors, which could cover up to 75% of med costs.

The Buggs decided to check it out. But just figuring out whether switching made sense was daunting. They had to compare the copays, coinsurances, member-pharmacy listings and lists of covered drugs (plan formularies) of all 35 plans offering coverage in their state. "It really got complicated," says Laura. So they turned to their daughter, Jennifer Benson, a home health care provider, to help them research. "If it wasn't for her, I'd just about throw up my hands."

How Adult Children Can Help

Many elders find signing up for Part D complicated, and experts worry that they won't enroll by the May 15, 2006 deadline. Many elders—the poor, those with less education and the infirm—may fall through the cracks. If this happens, they won't get coverage and will be forced to pay retail for medication—or do without. If they do finally enroll, they will have to pay a penalty if they're late.

That's why Bill Mayer, a volunteer for the senior advocacy group American Association of Retired People (AARP), says, "Parents need adult children desperately, especially parents who are up in years" to help them understand and apply for the benefit. Mayer encourages sitting with Medicare-eligible loved ones to review their current benefits and which of the new Part D plans offer the most savings for the drugs they take.

"It was hard figuring out how much of a change my parents would experience financially, how much their copays would be and if they could use the same pharmacy they've used for years," says Benson. When she called a government Medicare hot line, she was left on hold for almost 25

minutes. “It was very frustrating and time consuming to get through to a live person.”

While telephone and Internet resources abound, wait times can be long, and a disproportionate number of black Americans don’t have or use a computer and need extra help evaluating plans. “Some things we have to do for ourselves, but our daughter has been a big help,” says Laura Bugg. Ultimately, John Bugg’s pension plan dropped their prescription coverage, and they changed to Part D.

Don’t Apply Late!

In order to avoid potential problems in funding Medicare Part D, lawmakers came up with ways to encourage seniors to enroll early. Sign up by May 15, 2006 and you get the lowest rates.

But sign up late and you’ll get penalized with a 1% surcharge per month delay after May 15. Since open enrollment takes place only once per year, it actually means paying an additional 12% monthly surcharge for each year you wait. So for instance, if you wait two years to apply for a program that costs \$40 per month (the average plan will cost \$37.27 monthly), your penalty will cost an additional 24%, or \$4.80 a month. Should you switch from a plan with coverage equal to or better than Part D, this penalty will not apply.

If your elders might put off enrolling—because they don’t understand what to do or don’t take much medicine, for instance—Mayer suggests taking out “the cheapest plan you can so you avoid a penalty in the future. If you later need better coverage, you’ll be able to change without having to pay the penalty.”

A Pitfall to Watch For

To discourage heavy prescription users from purchasing cheap plans that won’t provide adequate cost coverage, the government has devised coverage gaps known as “doughnut holes.” All plans cover 75% of the first \$2,250 of a senior’s drug costs. But programs with doughnut holes offer no coverage for expenses between \$2,251 and \$5,100. During this coverage gap, you have to pay for the full retail price of the medication. Once seniors reach the out-of-pocket threshold, the program kicks back in and pays 95% of any remaining costs—if you keep paying the monthly premium during the coverage gap.

A plan that seems inexpensive now may become astronomical later if you need more drugs unexpectedly or have a serious health problem or emergency and have to pay for extra medication out of pocket. You may be better off paying a higher monthly premium.

To Get Extra Help

The resources below can help shed light on Part D and help you choose what works best. In addition, pharmacies like Wal-Mart, Walgreens and CVS are offering tutorial sessions and Internet resources, and many churches are also providing support.

AARP (www.aarp.org; 888-687-2277) offers referrals to outreach workers and workshops.

State Health Insurance Assistance Program (www.shiptalk.org) provides health insurance counseling. Call 800.MEDICARE to find a counselor in your area.

Social Security Administration (www.socialsecurity.gov; 800.325.0778) provides telephone assistance.

7 Steps to Selecting the Best Benefits

Young or old, Part D options can boggle the brain. Here are Some pointers:

1. Order a Medicare & You 2006 benefits book describing the plans offered in the recipient's state. Visit www.medicare.gov or call 800.633.4227.
2. Ask your loved ones if they have received mail from the government, a former employer or current health insurer about Part D and how much of it they understand. Review this information with them to figure out what must be addressed.
3. Evaluate their current prescription-coverage status. Even if they already have benefits, their coverage may change. As the Buggs experienced, some employers are discontinuing their policies now that Part D is available. Of course, seniors should have received a letter alerting them to any such change. Contact their former employers if you have questions or concerns.
4. Make a list of the prescription drugs your loved ones take, their dosages and prices (before the insurance discount). Call their doctors to inquire whether they anticipate changing their prescriptions, and ask your loved ones which pharmacy they will use. Compare each prescription plan's list of drugs (formulary), deductibles, copays and participating pharmacies.
5. Assess a plan's overall costs, not just its monthly premiums. While coverage is available for as little as \$20 a month, many of the less expensive plans have a coverage gap. A plan with a higher monthly premium may be less expensive overall.
6. Determine if your parents are eligible for financial assistance. Generally, anyone on Medicaid or earning less than \$14,355 (\$19,245 per couple) annually is eligible.
7. Sign up on time. If you fear that your loved ones' current prescription plan might be canceled or that they might need additional drugs in the future, consider signing up now to avoid potential penalties later.