

The Basics: Medicare Part D & Open Enrollment

What Is Open Enrollment?

All people with Medicare can join, switch or drop prescription drug plans (PDP) during Open Enrollment, also known as the Annual Election Period.¹ Open Enrollment begins November 15 and ends December 31, 2006. Changes take effect January 1, 2007.

Note: If you have both Medicaid and Medicare, see the box on the last page for information specific to your dual-eligible status.

Why Is Open Enrollment Important to Me?

It is very important to review plan offerings before Open Enrollment each year to ensure that you are enrolled in the best plan for you. Each year the details about your PDP coverage may change. This means your current drug plan may increase your costs, no longer cover your medications, or no longer contract with your local pharmacy in 2007.

How Does Open Enrollment Work?

In October, you should receive from your PDP a letter that explains any changes to your current plan, including the monthly premium and co-payments. Also check the plan's 2007 list of covered drugs, known as a formulary, to be sure your current medications will be covered and know how much they will cost next year. See the National Mental Health Association's consumer workbook *Get Educated, Get Enrolled* or "Prepare and Compare: Medicare Part D Open Enrollment" guide to assist you (both available by calling



NMHA's Resource Center at 1-800-969-6642 or at www.nmha.org/medicare).

If you are happy with your current PDP and decide it will meet your needs in the coming year, there is no need to re-enroll. However, it is still important to compare the costs and benefits of other plans in your area. You may find plans that cost less and offer some coverage in the coverage gap.² Compare plans in your area using the Medicare Prescription Drug Plan Finder at www.medicare.gov.

If you are not happy with your current coverage or decide that your plan will not meet your needs in the coming year, compare the costs and formularies of PDPs in your area. Once you determine which plan is best for you in 2007, you can enroll in a new PDP starting November 15. To enroll, go to www.medicare.gov, call 1-800-MEDICARE, or

¹ This annual election period does not apply to Medicare Advantage prescription drug (MA-PD) plans. Open Enrollment for MA-PD plans is January 1 through March 31, 2007.

² See chart on next page for coverage gap details.

Benefit Parameters	2006	2007
Deductible (person pays full costs of drugs until deductible is met)	\$250	\$265
Initial Coverage Limit (person pays co-payments for drugs until drug costs reach \$2,400)	\$2250	\$2400
Coverage Gap (person pays full cost of drugs)	\$3600	\$3850
Catastrophic Coverage (person pays 5% of drug costs)	\$5100	\$5451

contact the PDP directly at the number listed in the plan's summary of benefits.

What Cost Changes Can I Expect in 2007?

The federal government updated the minimum benefits (aka "standard benefit") that PDPs must provide in 2007,³ but some plans may offer lower cost coverage than the standard benefit. For example, many plans have low or no deductibles, flat payments for covered drugs, and in some cases, coverage in the coverage gap. Make sure, however, a lower cost plan will still cover your current medications. The government also updated the required co-payments for low-income subsidy (LIS) recipients. Although co-pays will vary by plan, they will generally range from \$1-3.10 for LIS beneficiaries who are at or below 100% of the federal poverty level, and \$2.15 to \$5.35 for all other LIS beneficiaries.

What if I Can't Afford My Out-of-Pocket Costs?

People with low-incomes will have much lower costs if they apply for *Extra Help*, also known as low-income subsidy (LIS). If you qualify, the government will pay many of the costs of the Part D program, including

premiums, deductibles, and co-payments.⁴ To determine your eligibility and to apply online for *Extra Help*, visit www.BenefitsCheckUp.org. To apply by phone, to request a paper application, or to make an appointment at your local Social Security office, call 1-800-772-1213.

What Dates Do I Need to Know?

- **October—Prepare and Compare**
Prepare for Open Enrollment by using NMHA's consumer workbook *Get Educated, Get Enrolled* (www.nmha.org/medicare) or by comparing plans on cost and coverage at www.medicare.gov. These resources will help you decide if you want to keep your current coverage or switch to a new plan for 2007. Also talk to your doctor or case manager about your medications and which drug plan will work best for you.

- **November 15—Open Enrollment Begins**
This is the first day you may change your Medicare prescription drug coverage. Open Enrollment is the only time you may make a change in your PDP.
- **December 31—Open Enrollment Ends**
Medicare's Open Enrollment ends on December 31. The next Open Enrollment period will begin on November 15, 2007.
- **January 1—Coverage Begins**
Your new coverage will take effect.

What Are Some Key Tips?

- **Take time to make the best choice.** You have only one opportunity during Open Enrollment to join a plan, switch plans, or drop your plan. Once

³ The minimum benefits apply to only low income subsidy (LIS) beneficiaries.

⁴ You may qualify for *Extra Help* if (1) your yearly income is less than \$14,700 (single) or \$19,800 (married and living with your spouse), and (2) your resources are less than \$11,500 (single) or \$23,000 (married and living with your spouse). Resources include your savings and stocks but not your home or car.

you have done so, you may not make another change until the next enrollment period.

- **Switch first.** Do not drop your current PDP until you identify your new plan. This way you will not lose your prescription drug coverage or have to pay a late enrollment penalty.
- **Don't be late.** Enroll by December 8 so you can have your prescription drug card and get the prescriptions you need on January 1.
- **Apply now.** If you think you may qualify for *Extra Help*, apply as soon as possible so you can receive this benefit starting on January 1, 2007.

Other Resources

Call the National Mental Health Association's Resource Center at 1-800-969-6642 to request a free copy of the *Get Educated, Get Enrolled* workbook. English and Spanish versions of the workbook are also available at www.nmha.org/medicare. Also use NMHA's guide "Prepare and Compare: Medicare Part D Open Enrollment" to help you choose a PDP.

For questions about Open Enrollment, call your local SHIP office to receive free personalized assistance. Call 1-800-MEDICARE or visit www.shiptalk.org for your local SHIP office's telephone number.

To determine if you qualify for federal or state assistance programs, visit www.BenefitsCheckUp.org.

For the latest information regarding Open Enrollment, visit www.mentalhealthpartd.org. For help locating your local community mental health center or NMHA affiliate, call the National Council on Community Behavioral Healthcare at 301-984-6200 or the National Mental Health Association at 800-969-6642.

I Have Medicaid and Medicare. How Does Open Enrollment Affect Me?

If you have both Medicaid and Medicare, you are considered a "dual eligible." As a dual eligible, you do not have to wait for Open Enrollment to switch plans. You may switch to a new plan once each month that better meets your needs. As long as you are enrolled in a plan that is at or below CMS approved standards, you will get coverage with no monthly premium, no annual deductible, and no gap in coverage. Your only costs will be \$1 co-pay for a generic drug and \$3 co-pay for a brand name drug. However, if your drug plan will not be at or below CMS approved standards for 2007, you will automatically be reassigned to a new drug plan.

What If I No Longer Receive Medicaid?

If you no longer qualify for Medicaid but still have Medicare coverage, you will no longer have "dual eligible" status. You will not lose your prescription drug coverage or be dropped from your current plan, but you may be assessed a premium on January 1, 2007. Review the plan's 2007 summary of benefits and costs and compare it to other plans in your area. (NMHA's guide "Prepare and Compare: Medicare Part D Open Enrollment" can help you do this.) There may be another plan that covers your drugs with no deductible or coverage gap. If you find a plan that better meets your needs, you must switch before March 31, 2007. Otherwise, your next opportunity to change plans will be November 15, 2007.

REMEMBER: Even if you are no longer a dual eligible, you may still qualify for *Extra Help*. You should apply for *Extra Help* right away. To determine your eligibility and to apply online, visit www.BenefitsCheckUp.org. To apply by phone, to request a paper application, or to make an appointment at your local Social Security office, call 1-800-772-1213.