

Review of Medicare D

By Constance Neeson, Health Care Manager

As we near the end of the third year of the Medicare D prescription drug plan, this might be a good time to review the program and discuss some of the problems which have arisen for a few of our friars.

To recap the basics of the program: Once friars reach age 65 and are enrolled into Medicare A and B, they are removed from pharmacy coverage through the Christian Brothers Self-Insurance Medical Plan. (That is their requirement due to the structure of the Medical Plan.) Friars are enrolled into Medicare D, specifically into one of the many **Prescription Drug Plans (PDPs)** which are available.

Just as with Medicare B, each PDP has a monthly cost, or premium. When a friar turns 65, the Medicare B premium and the Medicare D premium will be deducted from his monthly Social Security check before it is direct deposited into the Province's bank account. (For most people, Medicare A is free so no deduction is made for this part of the coverage.) **In 2009, the Medicare B premium will be \$96.40 per month for most people**, and the Medicare D premium runs about \$31.00. (The exact amount varies from plan to plan.) For the most part, these monthly premiums are deducted from each friar's Social Security check before the money is deposited.

Friars may choose which PDP plan they prefer. Some of our friars elect to remain on the Medco PDP because they were covered by Medco under the Christian Brothers plan. Other friars elect to enroll into the AARP PDP, underwritten by United Health Care. Still other friars are automatically enrolled into another PDP by Medicare or by Medicaid.

Each PDP has a list of approved drugs which that PDP will cover... we call that list the **Formulary**. Some PDPs have a more restricted formulary, and some have a very inclusive formulary. One of the reasons we like the AARP PDP in my office is that it has a broad formulary which covers most medications.

Within each formulary list is a hierarchy of rankings, called **tiers**. The drugs in the lowest tier have low costs, the drugs on higher tiers cost more.

Medicare D is structured so that the plan pays for some, but not all, of the cost of prescription drugs. The beneficiary will have to pay an **initial deductible**, and then will have **copays** which will vary depending on the tier of the drug. The cycle of coverage each year has four divisions: the **deductible**, the **basic coverage**, the **coverage gap** or "donut hole", and the **catastrophic coverage**. As medication costs add up throughout the year, the total cost so far in the year determines whether the beneficiary will pay 5%, 25%, or 100% of that day's drug purchases.

There are programs which assist beneficiaries with paying for these out-of-pocket costs. If a friar has low income and minimal assets, our office can enroll the friar into one of

these programs. Then the deductible and coverage gap will be eliminated, and the copays will be reduced to \$6.00 or less per prescription.

Problems

One problem we have encountered is if a friar is prescribed **a medication which is not covered in the formulary of his PDP**. If this occurs, the pharmacy should notify the friar and advise him to contact his doctor. The doctor can call the PDP and request that an exception be made for this individual. We call this process “**Prior Authorization**”, or “PA”. If the PDP will not grant a “PA”, then the individual has the option of changing PDPs to one which does cover this medication. In either event I ask that the friar contact my office (call 812-535-2970 or email olccaremanager@aol.com) to let me know about the problem. I (or my co-worker, Cindy Schmidt - 812-535-2974) can help with the prior authorization process, or can help to change PDPs.

A second type of problem we have seen occurs when a friar goes to the pharmacy and asks for his medications, but is told by the pharmacy that his **Medicare D has been terminated**. We had several incidents of this problem last January. It appears that the Medicare and Medicaid programs, in an attempt to enroll individuals in programs with a lower monthly premium, made these changes. Sometimes the change has occurred without the knowledge of the friar or our office.

If a friar discovers that this has happened, he should **contact my office right away** so we can A) find out why the change was made and which PDP he is now enrolled with, and B) change him back to the previous PDP plan if that is his wish.

In the meantime, the friar may need to go ahead and purchase the medications – we do not want anyone to go without his medicines. As soon as we can untangle what happened we can assist with getting Medicare D to pay for the medications the friar purchased and can try to help to get his money back.

As always, please remember that if a friar must pay for a particularly high copay cost, and if the local friary cannot afford that cost, then the friary may request assistance from the Senior Friars’ Fund... contact Linda Boaz in the Provincial Office for information.

Summary

Before Medicare D began, the Province paid a great deal of money each year, through the Christian Brothers self-insurance Medical Plan, for medications for friars over age 65. Accessing Medicare D benefits, along with the subsidies which help reduce the costs, has had a significant impact on the finances of the Province.

As friars continue to participate in this program, we know that occasional problems will arise. It is my hope that Cindy and I can assist our friars as soon as we are notified about any problems, to resolve the issue and assure that friars have access to all of the medications ordered by their doctors.