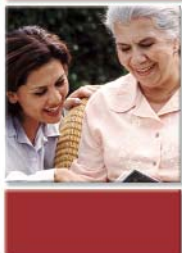


Help with Medicare Prescription Drug Costs



Key Points

- Beneficiaries may qualify for extra help with their Medicare prescription drug costs—premiums, deductibles, and copayments—an average of \$2100 a year.
- Both income and assets (like savings accounts, stocks, bonds, and real estate, except the beneficiary's home) are counted in identifying beneficiaries who qualify.
- Beneficiaries can contact the Social Security Administration or their State Medicaid offices to find out if they qualify. To get an application, visit the Social Security website at www.socialsecurity.gov or call 1-800-772-1213 and ask for one.

Who May be Eligible for Help

- **Group 1**— People with Medicare and full Medicaid benefits with incomes at or below 100% of the federal poverty level (\$798 per month for a single person and \$1,070 per month for a married couple in 2005)
- **Group 2**— People with Medicare and full Medicaid benefits with income above 100% of the federal poverty level; and other people with Medicare with incomes below 135% of the federal poverty level (\$1,077 per month for a single person and \$1,444 per month for a couple in 2005), with resources no greater than \$7,500 for a single person or \$12,000 for a married couple.
- **Group 3**— People with Medicare with incomes below 150% of the federal poverty level (\$1,197 per month for a single person and \$1,604 per month for a couple in 2005), with resources no greater than \$11,500 for an individual or \$23,000 for a married couple.

What Kind of Help

- **Group 1**— Beneficiaries don't pay a monthly premium or deductible. They have small copayments of \$1 for generic drugs and \$3 for brand-name drugs. If the low-income assistance plus these costs total \$3,600, they won't have to pay any other costs for the rest of the year.
- **Group 2**— Beneficiaries don't pay a monthly premium or deductible. They only have a \$2 copayment for generic drugs and a \$5 copayment for brand name drugs. If the low-income assistance plus these costs total \$3,600, they won't have to pay other costs for the rest of the year.

- **Group 3**– The monthly premium will be less and is based on income. They are responsible for a reduced deductible of \$50 per year and responsible for 15% of the cost of prescriptions up to the \$3,600 out-of-pocket maximum. Once these payments reach the maximum, they have a \$2 copayment for generic drugs and a \$5 copayment for brand-name drugs for the rest of the year.

How to Apply for Help

Either the Social Security Administration or the Medicaid office in a state can determine if a beneficiary qualifies for additional help. The State Health Insurance Assistance Program (SHIP) or other local organizations can help. To get an application, visit the Social Security website at www.socialsecurity.gov or call **1-800-772-1213** and ask for one.

Some people automatically qualify for help and do not need to apply:

- People with Medicare and full Medicaid benefits.
- People with Medicare receiving Supplemental Security Income (SSI).
- People who belong to a Medicare Savings Program.

Notification that Beneficiary Qualifies for Help

Medicare will send a notice to beneficiaries who automatically qualify. If a beneficiary has limited income, he or she should apply for this assistance. When the application is processed, the beneficiary will be notified if he/she qualifies for extra help. Once qualified, beneficiaries must still choose and sign up for a Medicare prescription drug plan. If beneficiaries who are eligible for help with prescription drug costs do not sign up for a plan by May 15, 2006, CMS will enroll them in a plan.

More Help

Some state Pharmacy Assistance Programs may provide extra help with drug plan costs for members who sign up for the Medicare prescription drug coverage. Contact the state program for more information. Beneficiaries in a long-term care facility such as a nursing home or belonging to a PACE program (Program of All-Inclusive Care for the Elderly) won't pay anything for prescription drugs if they enroll in a Medicare plan offering prescription drugs.

For additional information contact:

Medicare: 1-800-MEDICARE (1-800-633-4227); TTY 1-877-486-2048

or

www.medicare.gov

Social Security Administration: 1-800-772-1213; TTY 1-800-325-0778

or

www.socialsecurity.gov or www.SSA.gov