## Low-Income Assistance for Non-Dual Eligibles

- The chart inside details assistance and coverage available for low-income individuals who do not qualify as full-benefit dual eligibles.
- Subsidies to purchase drug coverage will be available for low-income Medicare beneficiaries who are not concurrently eligible for Medicaid.
- Beginning in May 2005, low-income individuals can begin applying for low-income subsidies at Social Security and state Medicaid offices. The application for low-income assistance is separate from enrollment for drug coverage.

## Optional Drug Coverage for Medicare Beneficiaries Above 150% of the Federal Poverty Level (FPL)

- Drug coverage in the new Medicare Part D program is optional and will require participants to pay a monthly premium and deductible.
- After $2,250 there will be no benefit until spending hits $3,600.
- After $3,600 is reached, enrollees pay either 5% co-insurance or $2 for generics/$5 for brand-name drugs—whichever is greater.

## Links to Detailed Information on the New Medicare Drug Benefit

**The official Health and Human Services Web site on the Medicare drug benefit:**
*http://www.cms.hhs.gov/medicarereform/pdbma/*

**General information on the MMA and the new drug benefit is available at:**
NAMI: *www.nami.org/medicare/mma*

The Alliance to Improve Medicare:
*www.aimcoalition.org*

The Kaiser Family Foundation:
*www.kff.org/medicare/rxdrugdebate.cfm*

**More information about prescription drug savings for Medicare beneficiaries is available at:**
Access to Benefits Coalition: *www.accesstobenefits.org*

Partnership for Prescription Assistance: *www.pparx.org*

**More information on the transition of dual-eligible beneficiaries into the Medicare drug benefit is available at:**
*www.kff.org/medicare/duals.cfm*

NAMI
The Nation's Voice on Mental Illness

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# The New Medicare Drug Benefit

## Eligibility and Enrollment

### *What Medicare Beneficiaries with Mental Illness Need to Know*

- The new program will go into effect on January 1, 2006.
- All Medicare beneficiaries, including individuals concurrently eligible for both Medicare and Medicaid (dual eligibles), will be eligible to enroll.
- Enrollment is voluntary, except for dual eligibles who will be "auto-enrolled" (see inside).
- Participants will have a choice of private prescription drug plans (PDPs) and Medicare Advantage (MA) plans.
- Enrollment will begin on November 15, 2005, and Medicare will begin mailing enrollment materials to all beneficiaries in October 2005.
- More information on enrollment can be found at www.medicare.gov or by calling 1-800-MEDICARE.

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## Dual Eligibles

- Over 7 million dual eligibles will see their drug coverage move from Medicaid to Medicare starting January 1, 2006.
- Drug coverage for dual eligibles will be available with no monthly premium, no deductible, and a co-payment of only $1 for a generic and $3 for a brand-name drug.
- Starting November 15, 2005, dual eligibles who have not selected a plan will be "auto-enrolled" in a drug plan in order to ensure no break in drug coverage on January 1, 2006.
- Dual eligibles will be able to switch drug plans at any time.
- Drug plans are expected to cover all available antipsychotics, antidepressants, and anticonvulsants for dual eligibles enrolled in their plans.

## Cost-sharing Requirements in the New Medicare Drug Benefit

| | Optional Drug Coverage Above 150% Federal Poverty Level (FPL) | Between 135% and 150% FPL* | Under 135% FPL** | Dual-Eligible |
|---|---|---|---|---|
| **Monthly Premium** | $35 per month ($420 annually) | Sliding scale up to $35 | None | None |
| **Annual Deductible (person pays in full)** | $250 | $50 | None | None |
| **Co-payment** | 25% up to initial coverage limit<br><br>100% up to $3,600 out-of-pocket spending | 5% of total costs up to $5,100 catastrophic limit<br><br>$2 generic, $5 brand-name thereafter | $2 generic, $5 brand name<br><br>No co-pays after drug costs reach $5,100 | **Under 100% FPL:** $1 generic, $3 brand name<br>No co-pays after drug costs reach $5,100<br>**Above 100% FPL:** $2 generic, $5 brand name<br>No co-pays for drug costs over $5,100 |
| **Doughnut Hole** | $2,850 gap in coverage | N/A | N/A | N/A |

*A gap in drug benefits between the initial coverage limit of $2,250, and a $3,600 catastrophic threshold, in which there is no coverage for Medicare drug plan enrollees.*

*135% to 150% of FLP – Up to $14,355 for individuals and $19,245 for couples, with under $10,000 in assets for individuals, $20,000 for couples.

**100% to 135% of FPL – Up to $12,920 for individuals and $17,300 for couples, with under $6,000 in assets for individuals, $9,000 for couples.