



What You Should
Know About

**Medicare Prescription
Drug Coverage (Part D)**

If You Have Chronic
Kidney Disease





What You Should Know about Medicare Prescription Drug Coverage (Part D) If You Have Chronic Kidney Disease

If you have chronic kidney disease, your doctor may tell you to take a number of drugs to keep you healthy. Common drugs people with kidney disease take include ones to prevent or treat:

- Anemia
- Bone disease
- Depression
- Diabetes
- Heart problems
- High blood pressure
- High cholesterol
- Infection
- Pain
- Water retention

To stay healthy and protect your kidneys, you must take every drug your doctor orders. You must take the right dose at the right times. You must also know what drugs harm kidneys so you can avoid them. Don't take any drug another doctor prescribes or over-the-counter drug, herb or "natural product" without talking with your kidney doctor (nephrologist) if you have one, first. It's a good idea to keep all health care providers current on *all* medications (and their doses) that you're taking.

Paying for these drugs can be a challenge. Some people with kidney disease don't buy the drugs they need to protect their health. Others buy them but take fewer pills so they last longer. Some buy drugs from other countries to save money.

To help with the cost of prescribed drugs, Congress passed the Medicare Modernization Act, the biggest change to Medicare in its history. It provides the option of prescription drug coverage (called Medicare Part D) to all people who have Medicare. Some people will pay less for this coverage based on their income and resources (assets).

What is Medicare Part D and why should I learn about it?

Anyone with Medicare can join a Part D plan. Part D can help anyone with kidney disease and Medicare to pay for drugs that have not been covered by Medicare before. There is a lot to learn about Part D. The more you know about Part D, the more you can tell if it is right for you. If it is, the sooner you join, the sooner it can help.

On the other hand, if you don't have drug coverage that's as good as Part D and you wait past the deadline to join, you could pay a penalty. You'll also have to wait to join and wait for help to pay for drugs.

If you have Medicare in 2005, you can join from November 15, 2005 to May 15, 2006. After that you'll be able to join or change plans each year from November 15 to December 31 with your new plan starting the following January 1. If you get Medicare after January 2006, your first chance to join a Part D plan is during the same 7-month period you can sign up for Part B. After that you'll be able to join or change plans from November 15 to December 31 each year. Later in this brochure you'll learn if you can join or switch plans at other times.

Who sells Part D plans?

Part D is insurance you buy to pay for drugs. Medicare approves the Part D plans that private insurance companies sell. You can join a plan on or after November 15, 2005. Part D can help to pay for drugs on January 1, 2006 or the month after you apply. Join by December 31, 2005 and your Part D plan will start January 1, 2006. You'll pay the lowest premium if you join by May 15, 2006 or when you can first join Part D, if you get Medicare later.

What drugs does Part D cover?

Part D covers generic and brand name drugs. Each plan chooses what drugs it will cover. The list of covered drugs is called a “formulary.” Medicare requires plans to cover most types of drugs for asthma, diabetes, depression, high cholesterol, high blood pressure, HIV, and drugs to prevent transplant rejection.

What drugs does Part D not cover?

Medicare Part D will not cover

- Drugs you take in the hospital and that are covered under Medicare Part A
- Drugs you get in a doctor’s office or take at home that are covered under Medicare Part B, including injected drugs to correct anemia and anti-rejection drugs if you get a transplant
- Drugs you can get without a prescription (“over-the-counter”)
- Drugs for anorexia, weight gain or loss
- Fertility drugs
- Drugs for hair growth or cosmetic reasons
- Drugs for relief of cold and cough symptoms
- Prescription vitamins except prenatal ones
- Barbiturates
- Benzodiazepines (central nervous system depressants like Xanax[®], Klonopin[®], Librium[®], Valium[®], Ativan[®], etc.)

What options do I have?

Some companies sell only standard plans. Others sell standard and expanded plans. Expanded plans cost more, but cover more drugs. Some expanded plans pay a larger share of drug costs. Some plans may give you the option to order drugs by mail. Some may limit you to a month's supply at a time. Others may have generics at lower cost than brand names. Ask your doctor if a generic drug is as good as the brand name one before you buy it. Look for a plan that covers the drugs you need now or may need in the future including drugs you may need if you need dialysis or if you get a transplant.

What does Part D cost?

Anyone on Medicare, no matter their income or resources (assets), can get Part D. How much you pay for it and what the drugs you buy will cost you depends on how much income and resources your family has. You can buy standard or expanded coverage. You may have to pay a higher premium to get expanded coverage.

Your income and resources...

Full Medicaid benefits and Income less than \$9,570 (single); \$12,830 (couple)

Meet your Medicaid spenddown September to December yearly and get this help from the time you meet it through the next year

Income less than \$12,920 (single); \$17,320 (couple) **AND** Resources less than \$7,500 (single); \$12,000 (couple)

Income less than \$14,355 (single); \$19,245 (couple) **AND** Resources less than \$11,500 (single); \$23,000 (couple)

Higher income or resources

This is the standard plan. Some plans may have expanded benefits. These expanded benefit plans may cost more.

What you pay in 2006...

- No premium
- No deductible
- \$1 (generic) or \$3 (brand name) drugs
- \$0 after covered drug costs reach \$5,100

- No premium
- No deductible
- \$2 (generic) or \$5 (brand name) drugs
- \$0 after covered drug costs reach \$5,100

- Up to \$32.20 premium, income-based
- \$50 deductible
- 15% of covered drug costs

After covered drug costs reach \$5,100 or you spend \$3,600:

- \$2 (generic) or \$5 (brand name) drugs

- \$32.20 average premium, more or less
- First \$250 of covered drug costs
- \$500 of next \$2,000 in covered drug costs
- 100% of the next \$2,850 in covered drug costs

After covered drug costs reach \$5,100 or you spend \$3,600; the greater of

- 5% of covered drug costs; OR
- \$2 (generic) or \$5 (brand name) drugs

What counts as income and resources?

Income includes salaries, pensions, Social Security retirement and disability payments, interest, and dividends. Resources include bank accounts, stocks, retirement accounts, and cash on hand, but not your home and land your house sits on, your car, or personal possessions. You can also keep \$1,500 per person for burial costs.

What should I do now to get extra help if I have limited income and resources?

On May 1, 2005, Medicare sent letters to people with Medicare and Medicaid, SSI, and those with help from Medicaid to pay Medicare premiums. If you got this Medicare letter, you will get **extra help** to pay for your prescribed drugs. You do not need to do anything to get it. If you get help from any of these programs and didn't get a Medicare letter, call 1-800-MEDICARE to let Medicare know. If you use a TTY, call 1-877-486-2048.

On May 31, 2005, Social Security started mailing letters and forms to those who might need extra help. If you think you may qualify, apply by returning the form to Social Security right away. If you didn't get a letter but think you might qualify, apply online at www.socialsecurity.gov or call Social Security at 1-800-772-1213.

If Social Security mailed you a form and you didn't return it, expect to get a call asking why you didn't apply. You will also get a call if your form was not filled out fully or correctly. If someone calls and asks personal questions you don't feel safe answering, call 1-800-772-1213 to ask if you can talk with someone about your extra help form. If you don't get extra help after applying, you can appeal.

What counts toward out-of-pocket costs and why does it matter?

If you get help from charities, state pharmacy assistance programs (SPAPs), family or friends, it *can count* toward your out-of-pocket costs. What another drug plan pays on your drugs *will not count* toward your out-of-pocket costs. Drugs you get in the hospital under Medicare Part A or in your doctor's office under Medicare Part B (like injected EPO) *will not count*. Drugs you buy outside the U.S. and drugs not covered by your drug plan *will not count*. Your premium for Medicare Part D *will not count* either. Once what you pay out-of-pocket and help you get from charities, SPAPs, family or friends equals \$3,600 in 2006, you will pay less for each drug the rest of the year. All dollar amounts in this brochure are for 2006.



How does Part D work with my other drug plan?

If you have Medicare and Medicaid, you must join a Medicare Prescription Drug Plan. In fact, Part D replaces your Medicaid coverage for drugs starting January 1, 2006. Medicare will send you a letter in November telling you what plan it will enroll you in to make sure you get help paying for your prescribed drugs. If you don't choose a different plan by December 31, the plan Medicare chooses for you will be what you have January 1. Some plans may not cover all the drugs you need or even the drugs that Medicaid covered. Compare plans and choose the one that covers the drugs you need.

If you find a plan later that meets more of your needs, you can switch plans any time. Your new plan will start the next month. Medicaid will still cover other care that Medicare doesn't cover.

If you have help from Medicaid to pay your Medicare premiums, you may be paying for most of your drugs now. Starting January 1, Part D can help you pay for your drugs. Compare plans. You can join a Part D plan starting November 15, 2005 that covers the drugs you need now and may need in the future. The sooner you join, the sooner Part D can help you pay for drugs. If you don't join a plan by May 15, 2006 Medicare will enroll you in a plan to make sure you get help paying for your prescription drug costs.

If you find a plan later that meets more of your needs, you can switch plans any time. Your new plan will start the next month.

If you have Medicare and SSI but don't have Medicaid, you may be paying for most of your drugs now. Starting in October, compare Medicare Part D plans. You can join as soon as November 15, 2005. If you do, your plan will start January 1, 2006. The sooner you join, the sooner your plan can help you pay for drugs. If you don't join a plan by May 15, Medicare will enroll you in a plan to make sure you get help paying for your prescribed drugs.

If you do not choose a plan by May 15, 2006 and Medicare assigns you to a Part D plan, you have one chance to switch plans that year — in 2006, you can switch once from May 15 to December 31 with your new plan starting the next month. Your new Part D plan will start the month after you switch. Anyone can join or change plans each year from November 15 to December 31 and the new plan will start the following January 1.

If your employer or union plan (as a worker, retiree or dependent), including a COBRA plan, covers drugs, expect to get notice by November 15, 2005 about whether your drug coverage is on average at least as good as the standard Part D plan. This could be in any mailing you get from your employer or plan. Read mailings carefully.

If your plan is as good, you probably don't need Part D. If your plan is not as good as Part D, you may be able to join a Part D plan in place of or in addition to your current drug plan. Anyone can join or change plans each year from November 15 to December 31 and the new plan will start the following January 1. If your drug plan isn't as good as Part D and you wait until after May 15, 2006 to join a Part D plan, you could pay a penalty.

If you have COBRA and do not already have Medicare, signing up for Medicare for any reason — even to become eligible to join a Medicare Part D plan — could put your COBRA at risk. Your employer does not have to let you keep COBRA if you get Medicare *after* you have COBRA. If you had Medicare *before* you qualified for COBRA, your employer must let you keep COBRA.

Do not make any changes without talking about your options with the person at your employer or union who advises you about your health coverage. Ask for any advice in writing. Keep notes of calls, including who you talk with and the date, and keep letters you get from your plan.



No matter what anyone says, it is not wise for anyone with kidney disease to drop an employer or union plan to enroll in Part D without thinking about how it may affect your other health care needs and costs.

Medicare alone may not cover all that your plan covers. Without an employer or union plan and only Medicare, you could spend more out-of-pocket for your health care. You may not be able to get a different plan because you have a kidney disease. And you may not be able to get your employer plan back later. If your plan is not as good as Part D, you may be able to join a Part D plan and keep your employer or union plan too.

What your employer, union, or COBRA plan pays for drugs does not count toward the \$3,600 in out-of-pocket costs that you must pay before Medicare picks up most of your drug costs. You may get help from family or friends to pay the \$3,600. You may get help from Medicare, charities, and/or state pharmacy assistance programs if you have limited income and resources.

If you have a Medigap (or supplement) plan that covers drugs, *you can't keep this plan and have a Part D plan at the same time.*

Your plan will send you notice telling you if your drug coverage is on average at least as good as the standard Part D plan. Most Medigap plans that cover drugs are not. If not, you have three options: 1) You can join Part D and keep your Medigap plan, but ask to have drugs excluded from coverage. Your premium should be less; 2) You can join Part D and switch to a Medigap plan that costs less and does not cover drugs; 3) You can keep your current Medigap plan and pay a penalty if you join Part D later. Your next chance to join a plan will be November 15 to December 31 each year. Call your Medigap plan before you make any changes. **Companies cannot sell any new Medigap policies that offer drug coverage after January 1, 2006.**



If you get your drugs from TRICARE, the Department of Veterans Affairs (VA), Indian Health Service, or the Federal Employees Health Benefit Program (FEHB), your drug coverage is on average at least as good as the standard Part D plan. Contact your benefits administrator or FEHB insurer before you make any changes. If you lose your TRICARE, VA, Indian Health Service, or FEHB coverage, you can join a Medicare drug plan after May 15, 2006 with no penalty as long as you join within 63 days of losing your plan.



If you get help for drugs from the VA, you can choose to have a Part D plan also. You may want to do this if you live far from the VA hospital where you get your drugs, if you can get a drug under Part D that you can't get through the VA, or if you qualify for extra help to pay for covered drugs. The VA and Part D cannot both pay for the same drug so each time you fill a prescription you must decide which you want to cover that drug.

If you have drug coverage from an Indian health facility or other insurance ask how joining a Part D plan could affect this coverage. If you get drugs from an Indian health facility, this won't change and you'll pay nothing for them. If you join a Part D plan, your Indian health provider may save money.

If you have a Medicare Advantage (HMO, PPO, Private Fee-for-Service or Special Needs) plan, most cover some drugs. You will get notice from your plan in October telling you if your drug coverage is on average at least as good as the standard Part D plan. Your notice will give you choices.

First, contact your plan to see if it will offer drug coverage in 2006. Medicare Advantage (MA) plans that cover drugs in 2006 must offer coverage at least as good as the Medicare Part D standard plan. If your MA plan doesn't cover drugs now and won't cover drugs in 2006, you have three options: 1) Keep the plan, and pay a higher premium if you want Medicare Part D after May 15, 2006 or your first chance to join; 2) Switch to a different MA plan that covers drugs you need, if the plan is open for enrollment and if you haven't had a gap in coverage longer than 63 days; or 3) Return to Original Medicare and join a Part D plan.



Before you drop your MA plan and return to Original Medicare, be sure you know what you might have to pay out of your pocket for care. At least be sure you can get a Medigap plan to pay the Medicare coinsurance for other medical care. **If you join a Part D plan that is not a Medicare Advantage prescription drug plan, your Medicare Advantage health coverage will be cancelled. If you drop your Medicare Advantage plan or your coverage is cancelled, you may not be able to get a Medicare Advantage plan later.**

If you have a Medicare approved drug discount card, you will get notice by September 15 that your card will not work after May 15, 2006 or after you join a Part D, depending on which comes first. The Medicare-approved drug discount card program was meant to be short-term until Part D started.

If you get help from your state pharmacy assistance program (SPAP), it may help pay costs that Part D doesn't pay. In 2005, 21 states had federally recognized SPAPs. Some help those 65 and older while others also help state residents with limited means pay for drugs. The *Medicare & You 2006* handbook lists the number to call to find out what changes are in store and how your SPAP might help you with Part D. Help you get from an SPAP to pay for drugs counts toward the \$3,600 you must pay in out-of-pocket costs unless you qualify for extra help.

If you get help for certain drugs from a drug company, call the company to ask what changes to expect and how it might help you when Part D starts. If you get free products from a drug company, the company's cost of making the drug may count toward the \$3,600 you must pay in out-of-pocket costs unless you qualify for extra help.



Here are some questions patients like you have been asking about the changes in Medicare.

I live in a nursing facility. Can I get Part D?

If Medicare is paying for your skilled nursing facility, Part A (hospital Medicare) pays for your drugs. However, Medicare only pays for up to 100 days of skilled nursing care. If you have Medicare and Medicaid, Part D is replacing Medicaid for drugs on January 1, 2006. If you live in a nursing home and have Medicare and full Medicaid, Part D will pay for all your drugs. You will pay nothing. If you live in another type of long-term care facility and have Medicare and full Medicaid, Part D will pay all but your co-pay. Most long-term care facilities use a certain pharmacy. You can change to a plan that pays for drugs from that pharmacy. You can also change plans if you enter or leave a long-term care facility.





What do I need to do to choose the best plan for me?

You will have at least two choices of plans. Starting October 1, private companies that can sell Part D plans in your area will start sending Medicare approved mailings listing all benefits they offer. Plans may call you if you're not on the "do not call" list. If anyone asks your personal information, such as your Social Security number, bank account or credit card number, do not give it. Report this to 1-800-MEDICARE. If you use a TTY, call 1-877-486-2048.

In October you will get the *Medicare & You 2006* booklet. It describes Medicare and Part D. It lists plans in your area. It also lists contact numbers for State Health Insurance Assistance Programs (SHIP). SHIP staff and volunteers can help you review options and choose a plan, can help you with questions about Medicare and insurance, and even help you appeal a decision.

Starting October 17, you can visit Medicare's Web site at www.medicare.gov. Use the *Medicare Prescription Drug Plan Finder* to see what plan choices you have, the drugs they cover, pharmacies they use, and costs for the plan. Starting October 17, call 1-800-MEDICARE to get a list of plans to compare on those things that are important to you — cost, drugs covered, pharmacies, etc. If you use a TTY, call 1-877-486-2048.

When comparing:

- Look for term “Medicare approved” on any mailings you get.
- Ask your doctor if you're taking the best drugs to keep you healthy now. Ask what other drugs you may need over time if your health or treatment changes. Look for these drugs on plan lists.
- Find the plans that cover most or all of these drugs.
- Compare prices for your drugs and the cost of each plan.
- Find out if you can get your drugs at the drug store you like or one that is nearby.
- Look at pros and cons of getting your drugs by mail.

How do I join a plan?

To apply for a Part D plan, send an application to the insurance company that sells that plan starting November 15, 2005. Your plan will tell Medicare what you chose. You can also apply online at www.medicare.gov or by calling 1-800-MEDICARE or 1-877-486-2048 if you use a TTY, starting November 15, 2005.

How do I pay premiums for Part D?

You can write a check to the insurance company. You can sign up for the premium to be taken out of your Social Security or Railroad Retirement check or your bank account. An employer, State Pharmacy Assistance Program, Medicaid agency, or charity can also pay your premium for you.

How can I get a drug I need if it's not on the drug list?

Your doctor can write an “exception request.” It must say that you need the drug for a medical reason and it is either not on the list or is on the list at a higher price. Your doctor must also state that any other listed drug at any price won't work as well or will cause you problems. If your plan denies the exception request, you have the right to appeal the decision. Your Medicare drug plan must give you a list of rights when you enroll. These can vary somewhat from plan to plan.



What if I have to appeal a Medicare or Social Security decision?

Keep any letters from Social Security or Medicare, notices about how your current drug coverage compares to Medicare Part D, Part D plan materials, plus your Part D application in a safe place. You may need any of these to prove you were told something.

What should I keep in mind?

- Medicare Part D will help some people pay for drugs they need. Others may have a good drug plan and may not need it.
- Most of what you read is for the “average” person with Medicare. You can find information to help you make an informed decision based on your medical needs at www.kidneydrugcoverage.org.
- If you choose to join a plan, choose a kidney-friendly one. Your doctor may be able to suggest what drugs to look for.
- You may have limits on when you can join or change plans. Know your rights.

How do I get more information?

Your health care team is looking out for you. This tip was written to help people with kidney disease and those who care for them understand Part D. It is part of the Kidney Medicare Drugs Awareness and Education Initiative. You can learn more if you visit www.kidneydrugcoverage.org. If you don't have the Internet, your local library may have staff that can help you use a computer to look things up on the Internet. A neighbor or loved one may be able to help you get what you need off the Internet too.

The Kidney Medicare Drugs Awareness and Education Initiative is a service of the kidney community, designed to provide timely, consistent, reliable, and up-to-date information about Medicare and Medicare prescription drug coverage (Part D). To see a complete listing of the participating organizations, visit www.kidneydrugcoverage.org.



What dates should I remember?

July 1, 2005 1st day to apply for low-income subsidy (“extra help”)

Oct. 17, 2005 1st day to compare Part D plans through www.medicare.gov and by calling 1-800-MEDICARE or 1-877-486-2048 (TTY)

Nov. 15, 2005 1st day to join Part D

Dec. 31, 2005 Last day to join Part D for it to start January 1; last day for those with Medicare and Medicaid to switch plans and have the plan take effect January 1, 2006.

Jan. 1, 2006 Part D begins and replaces Medicaid for those with Medicare and Medicaid

May 15, 2006 Last day to join Part D without a higher premium if you already have Medicare and drug coverage that is on average not as good as the standard Part D plan

Nov. 15–Dec. 31 Time you can join or change Part D plans each year with your new plan starting the following January 1

**Kidney Medicare Drugs
Awareness and Education
Initiative**

www.kidneydrugcoverage.org

c/o National Kidney Foundation
30 East 33rd Street
New York, NY 10016
800-622-9010