

Medicare Part D and Health Care Reform

The federal health care reform bill was signed into law in March 2010. The bill (now known as the Affordable Care Act) makes several important changes to the Medicare Part D Prescription Drug Program that will affect Medicare consumers.

Giving Consumers who fall into the Medicare Part D “donut hole” in 2010 a one-time-only \$250 rebate.

Once a Medicare beneficiary has total drug costs of \$2830, he falls into a coverage gap known as the “donut hole” where he must pay the full cost for his drugs.

- Anyone who enters the donut hole in 2010 is automatically sent a \$250 rebate check from Medicare
- The rebate checks are usually sent within 45 days of the person going into the donut hole
- If the rebate check is delayed, the consumer can contact their Part D Plan and/or contact Medicare
- The rebate is not available to those consumers who receive a Low Income Subsidy and who do not have a donut hole

Reducing a consumer’s costs while in the donut hole

Starting in January, 2011, any consumer who enters the donut hole will have reduced drug costs while in the donut hole

- In 2011, those who go into the donut hole will receive a 50% discount on name-brands and a 7% discount on generic drugs
- The discounts will increase each year until 2020 when the donut hole is eliminated

Changing the Timing of the Medicare Annual Open Enrollment Period

From the beginning of Medicare Part D, the Annual Enrollment Period during which anyone on Medicare could join either a stand-alone Part D Prescription Drug Plan or Medicare Advantage Plan with Part D coverage, or change their Part D Plan was the last six weeks of the year-November 15th through December 31st. That will change in 2011.

- Starting in the Fall of 2011, the Part D Annual Enrollment Period for the 2012 plan year will be October 15th to December 7th

Eliminating the Medicare Advantage Open Enrollment Period

Previously, there was a separate Medicare Advantage Open Enrollment Period from January through March each year during which Medicare consumers could enroll into a Medicare Advantage Plan (an HMO, PPO, or Private Fee for Service Plan), switch Medicare Advantage Plans, or disenroll from a Medicare Advantage Plan to go back to Original Medicare. That will change in 2011.

- Starting in 2011 there will no longer be a separate Medicare Advantage Open Enrollment Period
- Consumers will have an annual 45 day period starting January 1st during which they can only disenroll from their current Medicare Advantage Plan and go to Traditional Medicare (using red, white and blue Medicare card). Those who take advantage of this option
 - get a Special Enrollment Period to enroll into a stand-alone Part D Plan

NOTE: Consumers cannot switch to another Medicare Advantage Plan during this time.