



# Snack & Learn Making Prescriptions More Affordable

March 29, 2011

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## Agenda

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- About the ADRC
- Making Prescriptions More Affordable
  - Jacqueline Lauder, M.S.G., Council on Aging Orange County
    - Medicare Rx Extra Help Low Income Subsidy
    - Medicare Savings Programs
  - Nancy Rimsha, J.D., Health Consumer Action Center, Legal Aid Society of Orange County
    - Pharmacy Company Assistance Programs
- Q & A, Evaluations



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# ADRC: Resources for Seniors and People with Disabilities

Debra Kegel, ADRC Program Specialist  
CalOptima



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## ADRC OC Program Function



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## Information & Resource Referrals



**Call the County of Orange Office on Aging at 1-800-510-2020**

Speak to an Information & Assistance Referral Specialist



**Find resources online at [www.adrcoc.org](http://www.adrcoc.org)**

The searchable directory includes many resources to help you



**Visit any of the 3 ADRC partner locations**



Please refer to your handout for a list of locations close to you



## Find Resources at [www.adrcoc.org](http://www.adrcoc.org)



## Find resources at www.adrcoc.org



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## Snack & Learn Making Prescriptions More Affordable

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## Learning Objectives

- Learn about Medicare's Low Income Subsidy Program, including eligibility requirements and the application process.
- Learn about Medicare's Savings Program, including eligibility requirements and the application process.
- Learn about pharmaceutical company assistance programs, including how to find and apply for them.



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## Medicare Rx Extra Help Low Income Subsidy & Medicare Savings Programs

Jacqueline Lauder  
Director of Education  
Council on Aging Orange County

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## Stand Alone Prescription Drug Plans (PDPs)

- Fewer Part D Plan Offerings in 2011
  - Companies required to consolidate plans
  - Easier to compare plans
- 33 PDP's Statewide 2011
- 4 Benchmark Plans Priced at \$32 or less
- Proceed With Caution
  - If you already have a Medicare Advantage PDP you do not need an additional plan!

1/30/2012



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## What are Benchmark Plans?

- Basic Medicare Part D Plans
  - Premiums below CA average of \$32.35 in 2011
- Full Low-Income Subsidy (LIS)
  - Covers premium & deductible
  - No premium or deductible if:
    - Receive full LIS benefit
    - Enroll in Benchmark plan
  - Responsible for co-payments:
    - \$1.10 to \$6.30
- If don't enroll in Benchmark Plan
  - Pay difference between \$32.35 and
  - non-Benchmark plan premium



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## What's Covered?

- Only drugs on plan formulary
  - List of covered drugs
  - No standard formulary – each plan is different
  - Ensure medications are on formulary before enrolling
    - 60 day notice if formulary changes
- Not all plans accepted by all pharmacies
  - Ensure plan pharmacies are convenient for you
  - Many plans allow mail order at lower cost

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## What's Not Covered?

- Drugs not covered by Part D Plans
  - Barbiturates (eg. Phenobarbital, Seconal, Tuinal etc.)
  - Benzodiazepines (eg. Xanax, Ativan, Valium etc.)
  - Cough and Cold Relief
  - Most prescription vitamins & minerals (except prenatal, and fluoride prep. products)
  - Anorexia, Weight Gain or Weight Loss
  - Fertility
  - Cosmetic Purposes or Hair Growth
  - Non-prescription Medications
  - Erectile Dysfunction
- Most covered if have full Medi-Cal

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## Part D Medicare Rx Standard Benefit Design

What Beneficiary Pays - 2011	No Extra Help	With Extra Help
Average Monthly Premium (CA)	<b>\$32.35</b>	<b>\$0* or Reduced</b>
<b>Approved Plans Must Meet/Exceed Following</b> <small>* For benchmark plans</small>		
Deductible	<b>\$310</b>	<b>\$0 - \$63</b>
Initial Coverage: After Deductible - 25% of Drug Costs up to \$2,840	<b>\$632.50</b>	<b>\$1.10 to \$6.30</b>
Coverage Gap: 100% of Next \$3,607.50 Drug Costs (Minus Discounts)	<b>\$3,607.50</b>	<b>\$1.10 to \$6.30</b>
Out of Pocket Threshold	<b>\$4,550</b>	<b>\$4,550</b>
Catastrophic Coverage	<b>5% of Costs Over \$4,550</b>	<b>\$0</b>

"With Extra Help" applies to those who have qualified automatically. Individuals may qualify by applying for Extra help but costs will vary from those presented.



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## Medicare Part D *and* Full Medi-Cal

- Benefits
  - No Premium
  - No Deductible
  - No Coverage Gap
  - Small Co-Pays \$1.10 - \$3.30
- New to Medicare and had Medi-Cal Previously
  - Auto Enrolled in a Randomly Selected Fully Subsidized Plan
  - In 2011 Four (4) PDP & Six (6) SNP MA-PD
  - You Can Change Monthly



**IMPORTANT NOTE:** Nursing home residents should choose plan that works with long-term care pharmacy. co-pays are waived for nursing home residents.



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## Medicare Part D *and* Full Medi-Cal

- Changing your PDP or Special Needs MA-PD
  - DO NOT DISENROLL
- Choose & enroll in new plan
  - Old plan will be cancelled automatically
- Auto-assignment based on cost
  - Not based on individual drug needs
    - Random enrollment in plans with premium at/below low-income benchmark (\$32.35 in CA)
      - Will get notice if auto-assigned
- Can switch PDPs or MA-PDs monthly
  - Ongoing special enrollment



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## Part D Extra Help for non Medi-Cal

- Have Medicare Part A and/or Part B
- Monthly income less than:
  - Single: \$ 1,361
  - Married: \$ 1,838
- Savings less than:
  - Single: \$12,640
  - Married: \$25,260



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## Extra Help Benefits

- \$3,900 per year average savings
- Low or no premium
- Low or no deductible
- No coverage gap (“Donut Hole”)
- 2011 discounted co-pays
 

<u>Generic</u>	<u>Brand Name</u>
\$1.10	\$6.30
15%	15%*

\*If your out of pocket reaches \$4,550 you'll pay \$2.50 - \$6.30 co-pays

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## What are Medicare Savings Programs

- Medi-Cal program that assists low-income Medicare beneficiaries pay health insurance
- Three Programs:
  - QMB (Qualified Medicare Beneficiary)
  - SLMB (Specified Low-Income Medicare Beneficiary)
  - QI-1 (Qualified Individual-1)

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## Why Choose a Medical Savings Program?

- Great choice for those who have not worked enough quarters to be eligible for free Part A.
- Offers financial relief for those who are not quite eligible for Medi-Cal.

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## Qualified Medicare Beneficiary (QMB)

- Helps those whose assets are not low enough to be eligible for Medi-Cal.
  - Income 100% of Federal Poverty Level or less
- QMB Covers:
  - Medicare Part A monthly premium (\$450 in 2011)
  - Medicare Part B monthly premium (\$115.40 in 2011)
  - Deductibles for Parts A & B
    - Part A hospital inpatient deductible
    - (\$1,132 per benefit period in 2011)
    - Part B Annual Deductible (\$162 in 2011 )
  - Co-insurance under both Parts A & B

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## QMB Eligibility 2011

	Individual	Couple
Income	\$907	\$1,225
Resources	\$6,880	\$10,020

Must be enrolled in Medicare Parts A & B

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## Specified Low-Income Medicare Beneficiary (SLIMB)

- Pays for Part B monthly premium: (\$115.40)
  - Income between 100-120% of Federal Poverty Level
- Client must have Medicare Part B, in order to apply for the program

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## SLIMB Eligibility 2011

	Individual	Couple
Income	\$1,089	\$1,471
Resources	\$6,880	\$10,020

Must be enrolled in Part B

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## Qualified Individual (QI-1)

- QI-1 pays for your Medicare Part B Premiums (\$115.40 in 2011)
- Program is renewed annually
  - Check with the Social Services Agency if the program will continue the following year.
- Income between 120-135% of Federal Poverty Level

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## QI-1 Eligibility 2011

	Individual	Couple
Income	\$1,225	\$1,654,471
Resources	\$6,880	\$10,020

Must be enrolled in Part B



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## How Do I Apply for an MSP?

- Must be eligible for Medicare Parts A or B.
- If you **do not** have Medicare and want to apply for QMB, you should:
  - 1) Go to the Social Security Office and tell the representative that you want to apply for Medicare Part A&B **ONLY** if QMB will pay for the premiums.
  - 2) Contact Department of Social Services to make sure they received your application from Social Security.
  - 3) Once your Medicare is effective, follow-up with your local County of Orange Social Services Agency office to make sure that QMB is paying for your premiums.
  - 4) Keep a file



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## How Do I Apply for an MSP? (cont.)

- If you already have Medicare and want to apply for one of the MSPs
  - Contact HICAP at (800) 434-0222 or (714) 560-0424, or contact your local County Social Services Department.
- If you have Medicare & Medi-Cal, you should already be screened for eligibility with the MSPs.
  - If you are eligible for an MSP, contact your Medi-Cal worker.

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## Prescription Assistance Programs

**Nancy Rimsha, J.D.,  
Directing Attorney  
Health Consumer Action Center  
Legal Aid Society of Orange County**

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## Legal Aid Society of OC

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- Non-profit legal advocacy organization
  - Self help clinics
  - In-depth representation
  - Income taxes !!
- Hotline advice 1-800-834-5001
- Website: [www.legal-aid.com](http://www.legal-aid.com)

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## Legal Aid Services

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- Family Law
- Health coverage
- Housing – tenant help
- Education- IEP's
- Foreclosures
- Senior Citizen help
- Government benefits
- Small claims advice
- Bankruptcy

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## Prescription Assistance

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- **Many programs cover prescriptions**
  - Private Insurance
  - Medicare Part D
  - Medi-Cal
- **But some drugs still expensive**
- **Some medications not covered**
- **Some people have no coverage**

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## Prescription Assistance

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- Pharmaceutical companies offer their drugs free or at low cost
- Not required to provide free drugs
- Each company has their own eligibility criteria

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## Prescription Assistance

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- Generally provide drugs to the uninsured
- Some with insurance can qualify
- Usually people have to be US Citizen or Legal Resident
- Income limits usually around 200% of Federal Poverty limit
  - \$1,815/mo – one person
  - \$3,725/mo - family of 4
- Some companies will provide drugs to persons with Medicare Part D coverage – since drugs can still be expensive

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## Prescription Assistance

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- Patient can make application
- Doctors will sometimes make application for patients
- If Denied, call and ask why
  - Customer service helpful
- Appeal or provide additional information – don't take initial denial as final

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## Prescription Assistance website

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- [www.pparx.org](http://www.pparx.org) - Partnership for Prescription Assistance
- [www.rxassist.org](http://www.rxassist.org)
- [www.rxhelpforca.org](http://www.rxhelpforca.org)
- [www.benefitscheckup.org](http://www.benefitscheckup.org)
  - Searches for other types of programs such as help with utilities

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## Evaluations

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- Your feedback is important to us.
- Please complete an evaluation.
- Thank you!

