



MEDICARE

PRESCRIPTION DRUG COVERAGE
FOR RHODE ISLAND

Information Guide



RIPAE



The State of
Rhode Island
Department of
Elderly Affairs





MEDICARE

PRESCRIPTION DRUG COVERAGE
FOR RHODE ISLAND

Dear Medicare Beneficiaries,

The Rhode Island Department of Elderly Affairs is pleased to provide you with information about an important new federal health care initiative from the Center for Medicare/Medicaid Services (CMS) called Medicare Prescription Drug Coverage.

This federal government initiative represents the most significant change to Medicare since 1965 and will help Rhode Island's seniors save money on prescription drugs, regardless of their health insurance program.

The federal government has asked the Rhode Island Department of Elderly Affairs (RIDEA) to assist members of the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program with their prescription drug decisions. With this Information Guide, you will be able to better understand Medicare Prescription Drug Coverage, who is eligible and the enrollment process.

In addition, you can look forward to many other opportunities in your area to learn more about Medicare Prescription Drug Coverage from RIDEA.

We hope that the federal Medicare Prescription Drug Coverage program will help Rhode Island seniors afford the prescriptions they need to stay healthy. We look forward to assisting you in making the best health care decisions for you and your family.

Sincerely,

Corinne Calise Russo
Director, Rhode Island Department of Elderly Affairs



Introduction

Thank you for requesting the Medicare Prescription Drug Coverage Information Guide from the Rhode Island Department of Elderly Affairs (RIDEA). Over the next few months you will be receiving a lot of information about the nation's new Medicare Prescription Drug Coverage Program. Information will be coming from many national organizations including the Center for Medicare/Medicaid Services (CMS), Social Security, insurance companies and other private companies working with Medicare.

RIDEA created this book to help Rhode Island's Medicare beneficiaries; especially members of the Rhode Island Prescription Assistance for the Elderly (RIPAE) make the right choices regarding prescription drug coverage - now and in the future.

What is Medicare?

Medicare is a federal health insurance program for people 65 and older and younger people who are disabled or who have end-stage renal disease.

Until recently, Medicare consisted mainly of two parts:

- **Part A**, which covers inpatient hospital care, skilled nursing facility, home health and hospice care. Almost all persons over the age of 65 are automatically entitled to Medicare Part A.
- **Part B**, which covers physician services, outpatient hospital services, home health, durable medical equipment, laboratory, x-rays, ambulance and other services.

In an effort to reduce out-of-pocket prescription spending for Medicare beneficiaries; the Center for Medicare/Medicaid Services (CMS) developed **Medicare Prescription Drug Coverage, also known as Part D**.

What is Medicare's new Prescription Drug Coverage?

Beginning January 1, 2006, the new Medicare Prescription Drug Coverage will be available to 41 million Medicare beneficiaries nationwide, including over 173,000 Rhode Island beneficiaries.

Medicare Prescription Drug Coverage will help you pay for your prescription drugs, so you can save money.

Medicare Prescription Drug Coverage is an insurance, not a benefit; therefore insurance companies and other private companies will work with Medicare to offer prescription drug coverage plans. Plans may vary in what prescription drugs are covered, what you will have to pay and which pharmacies you can use. All prescription drug plans must offer a standard level of coverage determined by Medicare.

When you join a Medicare Prescription Drug Coverage Plan, it is important for you to choose the right plan that meets your prescription drug needs.

Overview of The RI Department of Elderly Affairs' RIPAE program

The Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program provides prescription drug cost assistance to Rhode Island residents 65 and older who meet specific income guidelines and those 55 and older who are disabled.

With the new Medicare Prescription Drug Coverage, starting January 2006, RIDEA will be helping to better meet the needs of its RIPAE members.

Important Facts

- RIPAE is not a substitute for Medicare Prescription Drug Coverage. **RIPAE covers less than the standard Medicare Prescription Drug Coverage Plan.**
- In most cases, **Extra Help** plus Medicare Prescription Drug Coverage will offer significantly better coverage than the RIPAE program.
- To be eligible for RIPAE in 2006, you must re-apply.



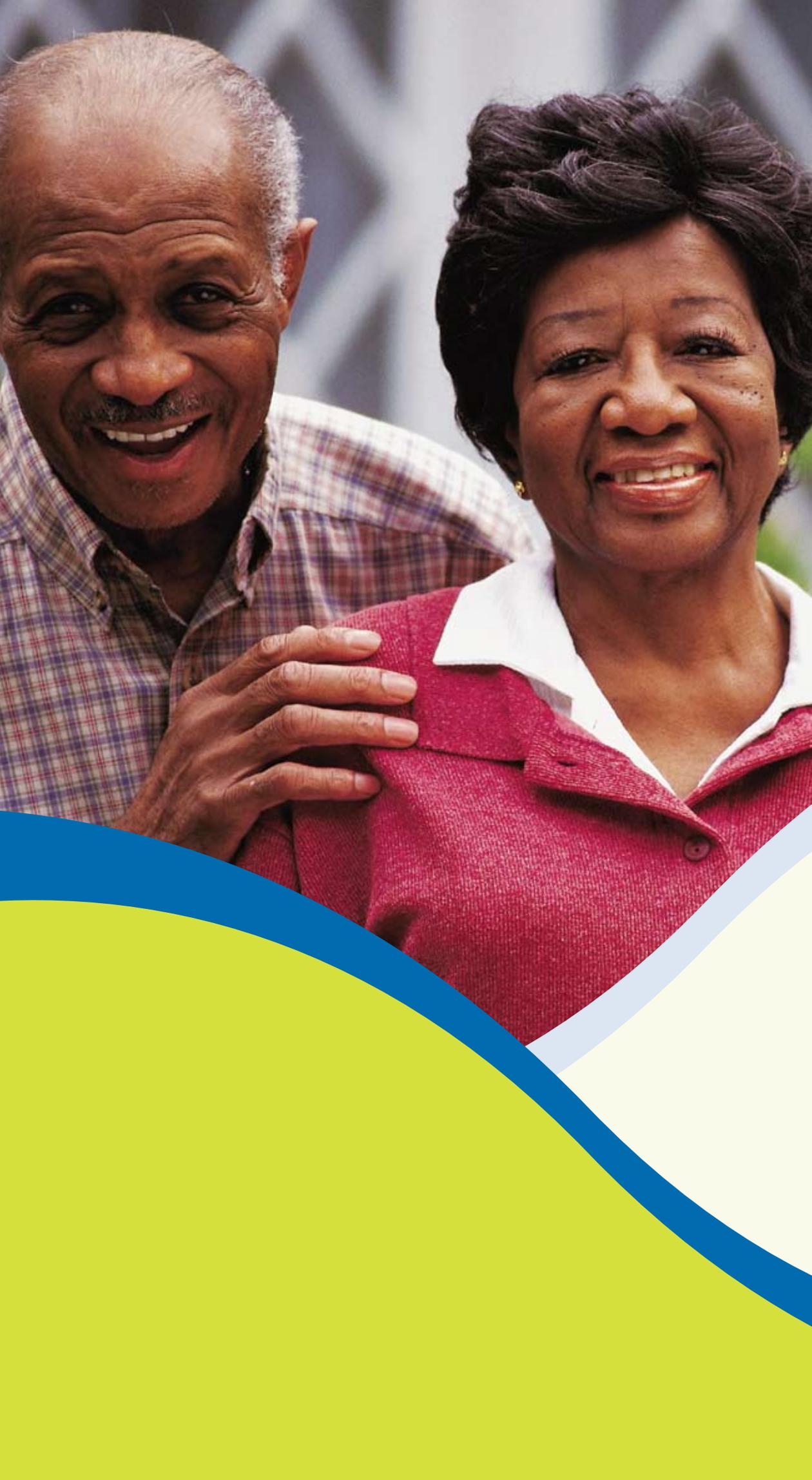
Why was Medicare Prescription Drug Coverage created?

The cost of prescription drugs is increasing and we have come to rely more and more on new drug therapies to treat chronic conditions. The fact is, many of our elderly cannot afford to maintain their health and this trend will continue as long as out-of-pocket spending for prescription drugs continues to rise.

Why do I need Medicare Prescription Drug Coverage?

Many people who are on Medicare need or will need prescription drugs to stay healthy and the new Medicare Prescription Drug Coverage can protect you from high out-of-pocket costs.

Even if you do not use a lot of prescription drugs now, you should still consider joining a Medicare Prescription Drug Program plan. If you do not join by May 15, 2006 and you do not have a drug plan that covers as much or more than a Medicare Prescription Drug Plan, you will have to pay a higher premium (1% increase each month) to join later.



How much will Medicare Prescription Drug Coverage cost?

Medicare Prescription Drug Coverage will help you pay for high out-of-pocket drug expenses. There will be different types of plans offered and people with limited income and resources may be eligible for **Extra Help**.

Your **standard coverage plan** in year 2006 might look like this:

1. You will pay an average monthly premium of \$32.20.
2. You will also pay your first \$250 in annual drug expenses. This is called your annual deductible.
3. Medicare will pay 75% after the deductible and you will pay a 25% coinsurance for up to \$2,250 in drug expenses.
4. You are responsible for 100% of your prescription drug expenses until you have spent a total of \$5,100 in prescriptions per year.
5. When your out-of-pocket expenses reach \$3,600, Medicare will pay 95%, and you will pay 5%. Out-of-pocket expenses include the annual deductible of \$250, all co-payments and co-insurance.

There will be **Extra Help** available for some people with limited income. RIDEA will assist you in making the best decision for your prescription drug coverage plan.

Getting Extra Help with Medicare Prescription Drug Coverage costs

If you have limited resources, you may qualify for **Extra Help**. The Federal Government will determine if you qualify for **Extra Help** based on the Federal Poverty Limit (FPL) and your assets - as established by the Federal Government.

RIDEA is working with Social Security and the Centers for Medicare and Medicaid to get you the **Extra Help** you need to pay for prescription drugs.

To determine if you are eligible for **Extra Help**, Social Security will need to know your income and the value of your savings, investments and real estate (other than your home).

Filing an application for **Extra Help** with Medicare Prescription Drug Coverage costs (Form SSA-1020) will help Social Security determine if you are eligible.

This Information Guide contains a Tools Section to help you determine if you are eligible for **Extra Help**.

Important dates to remember

October 1, 2005: You will begin receiving information from Medicare and providers offering Medicare Prescription Drug Coverage. Also, auto enrollment for those who qualify for **Extra Help** begins.

Plans offering Medicare Prescription Drug Coverage are authorized for telemarketing. However, they cannot ask for your Social Security number, they must take you off their "Call List" upon your request and they cannot enroll you over the telephone.

November 15, 2005 to May 15, 2006: Initial Enrollment Period for Medicare Prescription Drug Coverage. If you do not have **Creditable Coverage** and are not enrolled by May 16, 2005, you must enroll to avoid paying a higher premium at a later date (1% increase each month).

Medicare defines **Creditable Coverage** as coverage that is equal to or better than Medicare's new prescription plan. Examples of such **Creditable Coverage** would be some group health, retiree or Medicare Advantage Plans, some State Pharmacy Assistance Programs, Veterans benefits or TRICARE for Life. Insurance plans will determine if they qualify as **Creditable Coverage** and are required to notify you.

Please note: RIPAE is not considered to be Creditable Coverage, therefore those on RIPAE need to apply for Medicare Prescription Drug Coverage.

January 1, 2006: Medicare Prescription Drug Coverage begins for beneficiaries who enroll before December 31, 2005. After December 31, coverage will begin the first day of the month after the beneficiary joins the plan.

May 15, 2006: Initial Enrollment Period ends. Those who are eligible must enroll to avoid a penalty when they enroll at a later date.

RIPAE participants and other Medicare beneficiaries are advised to join before May 15, 2006. If you do not enroll and do not have Creditable Coverage, you will be subject to an additional premium charge of 1% per month for each month that you were eligible and did not enroll in a Medicare Prescription Drug Coverage Plan.

**Complete List of Covered
Therapeutic Categories**

Alzheimer's Disease Drugs	
Analgesics	NOT COVERED BY RIPAE
Anesthetics	NOT COVERED BY RIPAE
Antibiotic Agents	
Anticoagulants	
Anticonvulsants	NOT COVERED BY RIPAE
Anti-diabetic Agents	
Antiemetics	NOT COVERED BY RIPAE
Antifungal Agents	
Antilipemics	
Antimigraine Agents	NOT COVERED BY RIPAE
Antimycobacterials	NOT COVERED BY RIPAE
Antiparasitics	NOT COVERED BY RIPAE
Antipsychotics	NOT COVERED BY RIPAE
Anti-rheumatic Drugs	
Antiviral Agents	
Asthma & Other Chronic Respiratory Drugs	
Autonomic Agents	NOT COVERED BY RIPAE
Bipolar Agents	NOT COVERED BY RIPAE
Cardiac Drugs	
Central Nervous System Agents	NOT COVERED BY RIPAE
Dental & Oral Agents	NOT COVERED BY RIPAE
Depression Drugs	
Deterrents/Replacements	NOT COVERED BY RIPAE
Diuretics	
Eye/Ear Preparations	
Flu Treatment Drugs (Oral)	
Gastrointestinal Agents	NOT COVERED BY RIPAE
Genitourinary Agents	NOT COVERED BY RIPAE
Glaucoma Drugs	
Gout Drugs	
Hemorheologic Agents	
Hormonal Agents	NOT COVERED BY RIPAE
Hypotensive Agents	
Immunological Agents	NOT COVERED BY RIPAE
Inflammatory Bowel Disease Agents	NOT COVERED BY RIPAE
Insulin	
Non-steroidal Anti-inflammatory Agents	
Oral Antineoplastics	
Osteoporosis Drugs	
Parkinson's Disease Drugs	
Prescription Vitamin & Mineral	
Replacements For Renal Patients	
Sedative/Hypnotics	
Skeletal Muscle Relaxants	NOT COVERED BY RIPAE
Skin & Mucous Membrane Preparations	NOT COVERED BY RIPAE
Toxicologic Agents	NOT COVERED BY RIPAE
Urinary Incontinence Drugs	
Vasodilating Agents	

***MORE THAN 40% OF THERAPEUTIC CATEGORIES ARE
NOT COVERED BY RIPAE**

How do I enroll in Medicare Prescription Drug Coverage?

If you currently have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance), you can join a Medicare Prescription Drug Plan between November 15, 2005 and May 15, 2006.

Step 1: To determine if you are eligible for **Extra Help**, please contact the Social Security Administration (SSA) and obtain the **Extra Help** application.

Step 2: If you are approved, you will have to enroll in Medicare's new Prescription Drug Coverage program.

**Even if you don't use a lot of prescription drugs now,
you should still consider joining a
Medicare Prescription Drug Coverage Plan.**



RIPAE
participants
are advised
to enroll by
May 15, 2006.



Where to learn more about Medicare Prescription Drug Coverage

To learn more about how RIPAE is changing call:

Barrington:

Barrington Senior Center
401-247-1926

Bristol:

Benjamin Church Senior Center
401-253-8458

Central Falls:

Progreso Latino
401-728-5920

Ralph J. Holden Center

401-727-7425

Coventry:

Coventry Senior Center
401-822-9175

C.R.A., Inc.

401-822-6208

Cranston:

Cranston CAP
401-467-9610

Cranston Senior Services
401-461-1000

RI Dept. of Elderly Affairs

401-462-4000 (V)

401-462-0740 (TTY)

East Providence:

East Providence Senior Center
401-435-7800

East Bay CAP

401-437-1000

Hopkinton:

Wood River Health Services
401-539-2461

Johnston:

Johnston Senior Center
401-944-3343

Tri-Town CAP

401-351-2750 ext. 2

Lincoln:

Lincoln Senior Center
401-723-3270

Middletown/Newport:

East Bay CAP
401-848-6697

Child & Family Services
401-848-4185

North Kingstown:

N. Kingstown Senior Center
401-268-1590

North Providence:

Salvatore Mancini Center
401-231-0742

Pawtucket:

Leon Mathieu Senior Center
401-728-7582

PARI Independent Living
401-725-1966

Proyecto Esperanza
401-728-0515

Portsmouth:

Portsmouth Senior Center
401-683-4106

Providence:

Center for Hispanic Policy
and Advocacy
401-467-0111

Crossroads RI
401-351-6500, 800-367-2700

DaVinci Community Center
401-272-7474

Diocese of Providence
Office of Community Services
401-421-7833

Federal Hill House
401-421-4722

Fox Point Senior Center
401-751-2217

Hartford Park Community
Center
401-521-0051

Jewish Seniors Agency
401-351-4750

Lillian Feinstein Senior Center
401-455-3888

Meals on Wheels of RI
401-351-6700

Nickerson Community Center
401-351-2241

St. Martin DePorres Center
401-274-6783

Silver Lake Community Center
401-944-8300

Socio-Economic Development
Center for Southeast Asians
401-274-8811

Westminster Senior Center
401-274-6900

South Kingstown:

South County CAP
401-789-3016

The Center

401-789-0268

Tiverton:

Tiverton Senior Center
401-625-6790

Warren:

Warren Senior Center
401-247-1930

Warwick:

Cornerstone Adult Day Services
401-739-2856

Pilgrim Senior Center
401-463-3474

Westbay CAP
401-732-4660 ext. 144

West Warwick:

West Warwick
401-822-4450

Westerly:

Westerly Senior Center
401-596-2404

Woonsocket:

Woonsocket Senior Services
401-766-3734

Where can I get more information?

Statewide

International Institute
of Rhode Island
401-461-5940

RI Dept. of Elderly Affairs
401-462-4000 (V)
401-462-0740 (TTY)

Diocese of Providence Office
of Community Services
401-421-7833

The Point Education
& Call Center
401-462-4444 (V)
401-462-4445 (TTY)

Social Security Administration Rhode Island Locations

Newport

130 Bellevue Avenue
Newport, RI 02840
401-849-3487

Pawtucket

55 Broad Street
Pawtucket, RI 02860
401-724-9611

Providence

380 Westminster Mall
Providence, RI 02903
401-528-4501

Warwick

30 Quaker Lane
Warwick, RI 02886
401-822-1463

Westerly/Vicinity

2 Shaws Cove, Room 203
New London, CT 06320
860-443-8455

Woonsocket

2168 Diamond Hill Road
Woonsocket, RI 02895
401-766-8423



Medicare:

1-800-MEDICARE (1-800-633-4227)

www.medicare.gov

Assistance is offered in more than 14 languages.

Social Security:

1-800-772-1213

www.ssa.gov

Social Security assists lower-income beneficiaries.

How do I qualify for Extra Help?

If your income is below \$14,355 or below \$19,245 if you are married and are living with your spouse, you may not have to pay monthly premiums, annual deductibles or co-insurance fees for prescription drugs.

What does not count as income?

If your income is below \$14,355 or below \$19,245 if you are married, Social Security will not count:

- Food Stamp assistance
- Home energy assistance
- Medical case assistance
- Housing assistance
- Disaster assistance
- Earned income tax credit payments
- Victim's compensation
- Scholarships and grants

Do resources count?

Resources are the value of the things you own. To get **Extra Help** with Medicare Prescription Drug Coverage, your total resources must be valued below \$10,000 or below \$20,000 if you are married and living with your spouse.

Resources include:

- Real Estate (other than your primary residence)
- Bank Accounts, including checkings, savings and certificates of deposits
- Stocks and Bonds
- Mutual Funds
- Individual Retirement Accounts (IRAs)
- Cash at home or anywhere else

Resources do not include:

- Your Primary Residence
- Your Personal Possessions
- Your Vehicles
- Resources you could not easily convert to cash, such as jewelry or home furnishings
- Property you need for self-support, such as rental property or land you use to grow produce for home consumption
- Non-business property essential to your self-support
- Burial spaces
- Interest earned on money you plan to use for burial spaces
- Certain other payments made to you such as:
 - Retroactive Social Security or Supplemental Security Income payments
 - Housing assistance
 - Federal Income Tax refunds and earned Income Tax Credit advances
 - Compensation you receive as a crime victim
 - Relocation assistance from a state or local government

What will my cost be with the Extra Help?

Under the low-income subsidy provisions of Medicare Prescription Drug Coverage, Extra Help is available at these levels:

Extra Help: Group 1

Incomes between 100% of Federal Poverty Level (FPL) and resources below \$6,000 for a single person and \$9,000 for a married couple.

Extra Help: Group 2

Incomes below 100% and 135% of FPL and resources below \$6,000 for a single person and \$9,000 for a married couple.

Extra Help: Group 3

Incomes below 150% of FPL and resources below \$14,355 for a single person and \$19,245 for a married couple.

Medicare Prescription Drug Costs (without Extra Help)	Group 1 with Extra Help	Group 2 with Extra Help	Group 3 with Extra Help
Average Monthly Premium of \$32.30 per month	\$0	\$0	Sliding scale based on income
Deductible of \$250 per year	\$0	\$0	\$50
Co-insurance of up to \$3,600 out-of-pocket	\$1 or \$3 co-pay (depending on resources)	\$2 or \$5 co-pay (depending on resources)	15% co-insurance
Co-insurance of more than \$3,600 out-of-pocket	\$0	\$0	\$2 or \$5 co-pay (depending on resources)

OCTOBER 2005

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Enrollment Starts November 15th.

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Enroll before May 15th to avoid penalty.



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