Part D: A Medicare Success Story

Medicare Part D is the rare government program that has repeatedly come in under budget.

- Total Part D costs are $349 billion—or 45 percent—less than initial 10-year projections. (Source: Figures from the Congressional Budget Office)
- CBO has continued reducing its Part D cost projection as the program has gained experience. CBO reduced its 10-year baseline forecast for total Part D spending by $56 billion in 2014. This reduction follows three consecutive years in which CBO annually lowered its 10-year Part D forecast by more than $100 billion. (Source: Figures from the Congressional Budget Office)

Medicare Part D is helping control government costs by reducing spending in Parts A and B.

- The implementation of Part D was associated with a $1,200 average reduction in nondrug medical spending for Medicare beneficiaries with limited prior drug coverage in each of the first two years of the program. (Source: 2011 Journal of the American Medical Association Study)
- Improved medication adherence connected with the expansion of drug coverage under Part D led to about a $2.6 billion reduction in medical expenditures annually among beneficiaries diagnosed with congestive heart failure who did not have prior comprehensive drug coverage. Over the next 10 years, further improvement in adherence among Part D enrollees with congestive heart failure could yield $22.4 billion in federal savings. (Source: 2013 American Journal of Managed Care Study)

Medicare Part D enjoys high satisfaction rates among beneficiaries and is increasing access to needed medicines.

- According to recent studies, an average of 90 percent of seniors enrolled in Medicare Part D are satisfied with their coverage (Sources: Medicare Payment Advisory Commission, 2013, and Medicare Today Beneficiary Satisfaction Survey, 2014).
- Ninety-five percent of seniors enrolled in Medicare Part D believe that the level of coverage they receive meets their needs. (Source: Medicare Payment Advisory Commission, 2013).
- The average monthly Part D premium will be about $32 in 2015, continuing the historically low growth rate and coming in less than half of original projections. (Source: Centers for Medicare & Medicaid Services, 2014 and Medicare Trustees Report, 2004)
- Nearly 11 million seniors gained comprehensive prescription drug coverage as a result of Part D in the first year of the program. Currently, more than 35 million Medicare beneficiaries have comprehensive prescription drug coverage through Part D. (Source: 2011 American Journal of Managed Care Study, and Medicare Payment Advisory Commission, 2014)

References:
Medicare Open Enrollment

Fast Facts

WHAT: Medicare open enrollment is the annual period during which you can review, compare and select your health care plan choices, including your Medicare Part D prescription drug plan.


WHO: Medicare Part D plans are available to those eligible for Medicare.

• If you turn 65 this year, you can enroll during the three months before the month you turn 65, your birthday month and the three months after.
• If you are under 65 and have been eligible for Social Security disability payments for two years, have permanent kidney failure, or meet a number of other conditions, you may be eligible for Medicare.
• Some people with limited resources and income may qualify for the Extra Help program to pay for some of the costs related to a Medicare prescription drug plan. If you qualify for Extra Help, you can enroll anytime.

WHY: This time period is an opportunity for you to evaluate and update your current prescription drug plan based on your cost and individual health needs, or enroll for the first time.

• Prescription drug plans change and new plans become available each year that could offer better coverage and/or save you money.

HOW: Call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit Medicare.gov.

Tips & Resources

• Ask a family member, friend or caregiver to evaluate your options with you and help decide which prescription drug plan best fits your needs. Here are a few things to consider:
  o Does the plan cover the medications you currently take or expect to take?
  o In addition to the monthly premium, what are your expected out-of-pocket medication costs for 2014 under different plans?
  o What pharmacies can you use to get your medications under different plans?
  o How is a plan performing based on its Star Rating?

• Check out the Medicare Plan Finder at Medicare.gov/find-a-plan, which provides details on the prescription drug plans available in your area.

• Visit the National Council on Aging’s “My Medicare Matters” website (www.mymedicarematters.org) and click on “Prescription Drugs” for resources on how to choose or switch Medicare Part D plans.

• Additional information can be found on the California Department of Health Services website: http://www.dhcs.ca.gov/services/medi-cal/Pages/MedicarePartD.aspx
Medicare Part D is working well for beneficiaries and taxpayers...And it’s getting better.

- Polls have consistently shown high satisfaction rates among Part D enrollees. A recent MedPAC analysis found that 94% of Part D enrollees are satisfied with their coverage and 95% believe that the level of coverage meets their needs.6
- In 2014, nearly half of all Part D plans nationwide have no deductible.7
- Total Part D costs are 45%, or $349 billion, less than initial projections for 2004-2013.8 Additionally, CBO reduced its 10-year Part D cost projection by $56 billion in 2014.8
- CBO recently announced a major change to its scoring methodology to reflect evidence that increased prescription drug use leads to offsetting reductions in Medicare spending for other medical services.9
- Part D helped to expand drug coverage and improve adherence to medicines. This led to over $2.3 billion in annual savings for Medicare through reductions in medical spending for beneficiaries diagnosed with congestive heart failure without prior comprehensive drug coverage.10

**CALIFORNIA**

By the numbers: Medicare Part D

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Description</th>
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<tbody>
<tr>
<td>1,569,828</td>
<td>Beneficiaries enrolled in Medicare Advantage prescription drug plans in 2014</td>
</tr>
<tr>
<td>269</td>
<td>Number of Medicare Advantage plans available in 2014</td>
</tr>
<tr>
<td>2,049,026</td>
<td>Beneficiaries enrolled in stand-alone prescription drug plans in 2014</td>
</tr>
<tr>
<td>13%</td>
<td>Medicare beneficiaries as a percent of state population in 2012</td>
</tr>
</tbody>
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**Sources:**
5. See Medicare Prescription Drug Plans: PDPs with a $0 Deductible at www.kff.org.
7. See Medicare Prescription Drug Plans: PDPs with a $0 Deductible at www.kff.org.
Fact Sheet: Medicare Part D Extra Help Program

What is Extra Help?

Extra Help is a program within Medicare that assists individuals with the cost of Part D prescription drug plan. Part D prescription drug coverage is available for any Medicare beneficiary. Some Medicare beneficiaries with limited resources and income are eligible for the Extra Help program.

What does Extra Help cover?

Extra Help assists eligible beneficiaries with paying for costs associated with their Medicare Part D prescription drug plan like annual deductibles, monthly premiums, and prescription co-payments or coinsurance.

How Much Will You Pay In Extra Help?

With the full Extra Help benefit in 2014, an eligible beneficiary should pay no more than $2.55 for a generic drug (or a brand-name drug treated as a generic) and $6.35 for any other brand-name drug. For those qualifying for partial Extra Help, an eligible beneficiary should pay no more than 15 percent of the cost of drugs on your plan’s formulary (or list of covered drugs) until you reach the out-of-pocket maximum. Most people who qualify for Extra Help also pay nothing or a reduced amount for their monthly premium or annual deductible.

Medicare enrollees who have Medicaid, live in an institution like a nursing home, or receive home and community based services should not be paying anything out-of-pocket for their drugs.

How to Qualify for Extra Help

Many Medicare beneficiaries qualify for Extra Help and don’t even know it. To qualify for Extra Help:
1) You must be enrolled in a Medicare Part D prescription drug plan.
2) You must reside in one of the 50 states or the District of Columbia.
3) Your annual income must be less than $17,235 for an individual or $23,265 for a married couple living together. Even those individuals or couples with incomes exceeding the threshold may still be eligible for assistance (For example, if you or your spouse support other family members who live with you, have work-related earnings or live in Hawaii or Alaska).
4) Your resources cannot exceed $13,440 for an individual or $26,860 for a married couple who live together. (This includes: bank accounts, stocks and bonds. This does not include: home, car or life insurance policies.)

How to Apply for Extra Help

To apply for Extra Help, you must complete Social Security’s Application for Extra Help with Medicare Prescription Drug Plan Costs (SSA-1020). You can apply in the following ways:

- Apply online at www.socialsecurity.gov/extrahelp;
- Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) to apply over the phone or to request an application; or
- Apply at your local Social Security office.
Once you’ve submitted your application, Social Security will review and send a determination letter to inform you whether or not you’ve qualified. As soon as you receive your eligibility determination, you can choose a Medicare Part D prescription drug plan.

Being deemed eligible for Extra Help does not automatically enroll you in a Medicare prescription drug plan. While some beneficiaries with the full Extra Help benefit may be automatically enrolled in a Part D prescription drug plan, it is still important to follow up to ensure that you are enrolled once your Extra Help application is approved. If you are automatically enrolled but do not choose a plan for yourself, the Centers for Medicare and Medicaid Services (CMS) will randomly assign you to a plan.

**What If You Don’t Qualify for Extra Help?**

If you are not eligible for Extra Help, but are eligible for Medicare you are still able to enroll in a Medicare Part D prescription drug plan.

**How to Ensure You’re Paying the Right Amount in Extra Help**

If you think you’re paying the wrong amount, call your Medicare Part D drug plan. Your plan may ask you to provide information to help them verify if the level of Extra Help you are receiving is correct. Here is a list of documents you can use to help prove you qualify for Extra Help:

- A purple notice from Medicare that says you automatically qualify for Extra Help.
- A yellow or green automatic enrollment notice from Medicare.
- An Extra Help “Notice of Award” from Social Security.
- An orange notice from Medicare that says your copayment amount will change next year.
- If you have Supplemental Security Income (SSI), you can use your award letter from Social Security as proof that you have SSI.

**Medicare Shared Savings Program**

In addition to Extra Help, Medicare has a program called the Medicare Shared Savings Program (MSSP). These are state programs that help with other Medicare-associated costs (ex: Medicare Part B’s medical insurance premiums). By filling out an Extra Help application, you are automatically beginning the application process for MSSP as well. Your state will contact you in order to complete the MSSP application process. If you would like to opt-out of applying for MSSP, there is a place to indicate that on your Extra Help application.

**Further Information**

For more information on Extra Help or assistance applying to the program, go to [www.socialsecurity.gov/extrahelp](http://www.socialsecurity.gov/extrahelp) or call Social Security at 1-800-772-1213 TTY 1-800-325-0778.

For more information on the Medicare Shared Savings Program, Medicare Part D prescription drug plans, enrollment periods or other Medicare-related concerns, go to [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227) TTY 1-877-486-2048.
Part D: A Medicare Success Story
Sample Social Media Content

Twitter

Before:

• #MedicareOpenEnrollment is fast approaching. Check out #Medicare Plan Finder for info about #partD plans near you! <link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (118 characters without short link)

• #MedicareOpenEnrollment for 2015 starts October 15. Make the most of your #HealthPlan with #Medicare Plan Finder <link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (116 characters without short link)

• Prepare for #MedicareOpenEnrollment by visiting @MedicareGov to learn about #HealthPlans available in 2015 <link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (110 characters without short link)

• Want to change #partd plans? Ask a family member, friend, or caregiver to help pick a plan that's the right fit <link>
  Link to: Medicare.gov/find-a-plan
  (116 characters without short link)

During:

• #MedicareOpenEnrollment has started. Review and choose the best #HealthPlan for you before 12/7/14 <link> #partDworks #Medicare
  Link to: Medicare.gov/find-a-plan
  (120 characters without short link)

• Visit @MedicareGov to update your #PartD HealthPlan or enroll in one. #MedicareOpenEnrollment ends on 12/7/14 <Link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (113 characters without short link)

• #MedicareOpenEnrollment has started. Don’t miss the chance to change your #PartD Medicare coverage or enroll for 2015 <Link> #partDworks
  Link to: Medicare.gov/find-a-plan
• #Medicare #PartD is increasing seniors’ access to medicines. Enroll or review your #HealthPlan here <link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (111 characters without short link)

• Want to change #partd plans? Talk with a family member, friend, or caregiver to find one that’s best for you <link>
  Link to: Medicare.gov/find-a-plan
  (115 characters without short link)

After:
• #MedicareOpenEnrollment may be over, but you can still find details on #medicare #drugplans in your area <link> #partDworks
  Link to: Medicare.gov/find-a-plan
  (108 characters without short link)
• Turning 65 next year? Medicare Part D plans are available to all individuals eligible for Medicare. Review and choose the best #HealthPlan for your needs <link>
  Link to: medicare.gov/find-a-plan
  (136 characters without short link)
• Turning 65 soon? You become eligible to enroll in a Medicare Part D plan 3 months before the month of your 65th birthday. Find out more about your options <link>
  Link to: medicare.gov/sign-up-change-plans
  (133 without short link)

Facebook
• Medicare Open Enrollment allows you to review, compare and select your healthcare plan choices, including your Medicare Part D plan. Check out the Medicare Plan Finder for drug plans in your area!
  Link to: Medicare.gov/find-a-plan

• Medicare Open Enrollment starts on October 15. Are you ready to choose or update your current healthcare and Part D plan based on your current health needs? Be sure to visit “My Medicare Matters” for resources on how to choose or switch Medicare Part D plans.
  Link to: http://www.mymedicarematters.org

• The Medicare Open Enrollment period for 2015 has begun. Medicare plans change and new plans become available every year, including Part D plans, which could offer better coverage or
save you money. Call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit Medicare.gov/find-a-plan to review your health plan!
Link to: Medicare.gov/find-a-plan

• Now is the time to enroll in a Medicare Part D plan! Open Enrollment ends on December 7, so be sure to take the time and choose a plan that best fits your needs. Go to Medicare.gov/find-a-plan to choose a plan that’s right for you!
Link to: Medicare.gov/find-a-plan

• Did you know that there is a program to help those with limited resources and income cover Medicare Part D prescription costs? If you qualify for Extra Help, you can enroll at any time!
Link to: Medicare.gov/find-a-plan

• If you’re looking to change Part D plans, make sure that you speak with a family member, friend, or caregiver to pick a plan that fits your needs. Check out http://www.mymedicarematters.org for helpful tools.
Part D: A Medicare Success Story
Sample Newsletter Content

Medicare Open Enrollment Begins: Review, Compare & Enroll Today!

It’s that time of the year again. Medicare open enrollment for 2015 starts on Wednesday, October 15 and closes on Sunday, December 7. Open enrollment is an opportunity to review and update your current Medicare plan, including your Part D prescription drug coverage. New healthcare plans become available each year that may offer better coverage or save you money, so it’s important to take the time to carefully review your options.

With a wide variety of prescription drug plans to choose from, Medicare Part D has a plan that will fit your needs. The Part D program has increased access to medicines for millions and has led to an improvement in the health of many seniors. It also has high beneficiary satisfaction rates, with an average of 90 percent of seniors reporting that they are satisfied with their coverage and 95 percent who believe that the level of coverage meets their needs. Average monthly premiums were about $31 in 2014, an amount that has remained relatively stable for the past four years. Part D also has Extra Help for those of limited means.

To learn more about the prescription drug plans that are available in your area, check out the Medicare Plan Finder at Medicare.gov/find-a-plan. You can also call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit Medicare.gov to enroll.

Open Enrollment Tip: Before selecting a plan, it’s a good idea to consult with a family member, friend or caregiver to help select which drug plan best fits your needs.
Part D: A Medicare Success Story
Sample PSA Scripts

:15 Spot
Medicare’s enrollment period is now open through December 7th. Be sure to review, compare and select
your healthcare plan, including your Medicare Part D prescription drug plan, using the plan finder at
Medicare.gov.

:30 Spot
If you or a family member is eligible for Medicare, be sure to mark your calendar for Medicare open
enrollment October 15th through December 7th. This annual period is an opportunity to review, compare
and select your healthcare plan, including your Medicare Part D prescription drug plan. Enroll for the
first time or update your current prescription drug plan based on your financial and individual health
needs. Visit the Medicare Plan Finder at Medicare.gov to learn more about plan options that may offer
you better coverage or save you money.

:60 Spot
If you or a family member is eligible for Medicare, mark your calendar for Medicare open enrollment
October 15 through December 7. This annual period is an opportunity to review, compare and select
your healthcare plan, including your Medicare Part D prescription drug plan.

Each year, new healthcare plans become available and existing plans may make changes. Be sure to
review your options as different plans may offer better coverage or save you money. With average
monthly premiums for Medicare Part D at about $31 in 2014 and with an average 90 percent
satisfaction rate, why wouldn’t you take advantage of open enrollment to find the right plan for you?

Visit the Medicare Plan Finder at Medicare.gov to learn more about plans available in your area that
best fit your financial and individual health needs.