

The Gottesman Report

A Newsletter For Your Benefit

January 2006

Happy New Year . . .

Our office extends our heartfelt good wishes to all our clients, colleagues and professional contacts for a new year filled with health, prosperity and safety. This year is an especially proud year for us, as Ms. Gottesman celebrates her 15th year in practice. As always, we renew our pledge to provide state-of-the-art legal services to all our clients in a timely and professional manner. If at any time there is a concern from any client about his/her case, we would welcome an inquiry to our office. Since Ms. Gottesman now splits her time between her NY and NJ locations, please allow 24 hours for a response, except in emergency situations. For quickest response, you are urged to leave a number where you can be reached, even if you are an ongoing client.

Medicare Prescription Drug benefits ...

Our office has been inundated with requests for information since the new Medicare prescription benefit programs went into effect this month. This newsletter attempts to provide an overview and discuss general issues involved in these programs. Questions regarding any reader's individual situation as to whether to enroll in such a program and what type of program would best suit the individual's needs are questions that must be answered on a case-by-case basis.

The first thing you should understand is that there are eighty (80) plans from which to choose! Whether a particular plan will

benefit you will depend on what types of prescription drugs you take and how much they cost on a monthly basis. Different plans are suited for different needs. The plans cover both name-brand and generic drugs. Therefore you should not choose a plan just because a friend or relative has done so.

Each private prescription drug plan is required to offer benefits at least as good as those you would receive under Medicare Part D. However, many private plans offer better benefits or lower costs. There are big differences in premiums and deductibles, the drugs each plan covers, the co-pays they charge, and the pharmacies they use. These differences are important to know when choosing a plan.

Medicare's prescription-only standard drug benefit plan, called Part D, has a \$250 yearly deductible and will cost about \$32 per month in premiums. The individual will then pay 25% of the cost of each prescription until he/she reaches a maximum paid of \$2,250. Coverage then stops completely until the total out-of-pocket payment reaches \$3,600. This gap in coverage is called the "doughnut hole" and nearly every state has plans that can cover this gap, both for prescription drugs and generic drugs.

Coverage then kicks back in and Medicare will pay 95% of all further prescription drug costs for the balance of the calendar year. These costs must be repeated for each year of coverage.

People who receive both Medicare and Medicaid will automatically be enrolled in a Medicare prescription plan. Starting this year, Medicaid will no longer be paying for

prescription drugs for those who also have Medicare coverage. Your state may cover co-pays for those who are low-income and elderly. The Medicaid toll-free hotline for more information is 1-800-356-1561.

All drug coverage plans have premiums, deductibles and co-pays attached to them, and this should be taken into account when you are thinking about the affordability of a plan. The current yearly deductible for 2006 is a maximum of \$250. In addition to the deductible, you will also pay a co-pay for each prescription that is filled. However, for those with limited means and income, Medicare provides extra help that will pay for a greater share of your drug costs. As well, some companies are offering low-premium plans for those whose use of prescription drugs is generally low. Other plans may charge higher monthly premiums but no deductible and no gap in coverage like that of the basic Part D (see above).

For Additional Assistance ...

Any reader with internet access will find a wealth of information and planning assistance on the internet. The best site is www.medicare.gov. This site offers a cost estimator which will provide information on how much you will save based on the types of drugs you take. The site also has a list of the different plans based on your personal preferences such as cost, coverage, and convenience. You can apply directly online for Medicare Part D low income subsidy by going to www.ssa.gov, which will direct you to apply for extra help with prescription drug costs. If you have no internet access, you can call for live help 24 hours a day, 7 days a week at 1-800-633-4227 (1-800-MEDICARE).

The Medicare Rights Center has a guide available to help you better understand the range of available benefits. The guide, "Medicare Drug Coverage 101: Everything

You Need to Know About The New Medicare Prescription Drug Benefit", is in a question and answer format, and is available at www.medicarerights.org.

Many private health insurers conduct seminars for Medicare beneficiaries that explain the many plans available. Check with some of these insurers.

Many large pharmacy chains also have experts on staff to help simplify Medicare Part D.

For our NJ clients, each county's Office on Aging will have counselors available to navigate the different plans with you and assist you to find the plan that is most beneficial for you.

If you still do not know where to turn for assistance in navigating the many available options, try your local senior center or AARP, which has a current publication called "Medicare Drug Coverage: The Basics."

If you are a current Medicare beneficiary, you have until May 15, 2006 to join a plan that will offer coverage for 2006. If you miss this deadline, the next opportunity for you to join a plan would be in the open enrollment period, which is November 15-December 31, 2006.

Finally ...

If you are interested in seeing a particular issue addressed in this Newsletter, or if anyone you know wishes to be placed on the mailing list for future Newsletters, please let us know.

Visit our web-site at www.disabilitybenefitsattorney.com.