



Michigan League FOR Human Services

Updated May 2009

Medicare Part D Fact Sheet

1. The Medicare Prescription Drug program is in its fourth year of implementation, with initial coverage beginning in January 2006.
2. In Michigan, for calendar year 2009, there are 51 different stand-alone prescription drug plans, 95 Medicare Advantage plans, and seven Special Needs Plans.
3. Among the 51 stand-alone plans, premiums range from \$14.80 - \$106.00 per month. Deductibles range from \$0 to \$295; 13 plans offer some coverage in the coverage gap, known as the "donut hole"; and 38 plans offer no benefits in the coverage gap.
4. Among the 95 Medicare Advantage plans, premiums range from \$0 - \$58.30 per month. Deductibles range from \$0 to \$295; 40 plans offer some coverage in the "donut hole," while 55 plans offer no benefits in the coverage gap.
5. With the exception of dual eligibles (those eligible for both Medicaid and Medicare), beneficiaries can generally change their prescription drug plans only during the annual enrollment period, November 15 – December 31 of each year. Dual eligibles are allowed to change prescription drug plans at any time.
6. As of February 2009, in Michigan, of the nearly 1.6 million persons eligible for Medicare Part D, more than 1.3 million beneficiaries were enrolled in a Medicare Part D plan, had employer retiree prescription drug plans, or had other prescription drug coverage. More than 533,000 beneficiaries (up from 293,399 in April 2006) were enrolled in Medicare Part D stand-alone drug plans, while more than 308,500 beneficiaries (up from 48,873 in April 2006) were enrolled in Medicare Advantage Drug Plans. (*Centers for Medicare and Medicaid Services, February 2009*)
7. The Centers for Medicare and Medicaid Services reported that as of February 2009, Michigan had 277,466 beneficiaries (up from 52,057 in April 2006) determined eligible for the low-income subsidy ("extra help") program.
8. Applications for the low-income subsidy ("extra help") for Medicare Part D can be submitted online to the Social Security Administration, or paper applications can be requested from and submitted to the state Department of Community Health.
9. Some drug companies have continued Patient Assistance Programs for Medicare beneficiaries with guidance

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10. from the federal government. (*Rx Assist, Patient Assistance Program Center*)
11. In 2007, approximately one quarter of participating Medicare Part D enrollees who were not receiving the low-income subsidy had drug spending high enough to reach the coverage gap or "donut hole." Of that total, 20 percent stopped taking their medication, switched to a different drug (in the same drug class), or reduced their medication use (skipped doses). (*Kaiser Family Foundation, The Medicare Part D Coverage Gap: Costs and Consequences in 2007, August 2008*).
12. The federal Medicare Part D Standard Benefit cost sharing for 2009 is displayed below. Prescription drug plans are not required to increase cost sharing from year to year as they have great flexibility in designing plans, and few (only about 10 percent) actually offer the standard benefit. Most plans offer tiered copays (rather than the 25 percent coinsurance), most have no deductible, and some plans offer coverage in the "donut hole." The standard benefit parameters are:

- § Deductible \$295 (from \$250 in 2006);
 - § Initial coverage limit (beginning of the "donut hole") \$2,700 (from \$2,250 in 2006);
 - § Catastrophic coverage begins \$6,154 in Part D covered drug costs (from \$5,100 in 2006);
 - § Size of the "donut hole" \$3,454 in costs with no coverage (from \$2,850 in 2006);
 - § Maximum low-income benchmark premium subsidy \$32.08 (from \$33.22 in 2006);
 - § Copayment increases Where the law specified \$2 and \$5 copays in 2006, those amounts increased to \$2.40 and \$6; and
 - § Low-income subsidy beneficiaries with incomes between 135-150 percent of poverty will have a \$60 deductible (from \$50 in 2006).
13. Subsidies paid to employers and other entities retaining retiree drug coverage increased to \$1,597 from \$1,330 in 2006.