



Medicare Part D - Prescription Drug Coverage For People With Both Medicaid And Medicare And Medicaid Pays For Their Prescriptions

Fact Sheet

August 2005

In 2003, the federal government created a prescription drug benefit for individuals who qualify for the federal Medicare health coverage program. This new benefit affects people who participate in both Medicare and Medicaid, the federal-state funded health coverage program for low-income persons.

How will people who participate in both Medicaid and Medicare be affected by the Medicare Prescription Drug benefit?

- **Beginning January 1, 2006, people who currently have their prescriptions paid for by the N.D. Medicaid program and who also qualify for Medicare will receive their medications through a Medicare Prescription Drug Plan.**
- These individuals who are eligible for both Medicaid and Medicare (referred to as “dual eligibles”) will receive notices about the coverage change from the federal government this fall and will be able to choose from at least two Medicare Prescription Drug Plans.
- If they do not choose a plan by December 31, 2005, the federal Centers for Medicare and Medicaid Services (CMS) will automatically enroll them into a prescription drug plan.

How many people are affected by this change?

- There are about 100,000 individuals in North Dakota who qualify for the Medicare Drug Plan (Part D).
- Of these, about **10,900** individuals are enrolled in both Medicare and Medicaid (“**dual eligibles**”) and receive prescriptions through

Medicaid. Medicare will begin paying for their prescriptions.

- About half are over age 65
- About 36 percent are younger people with disabilities
- Over 28 percent live in nursing homes, and others reside in group homes or in their own homes
- Over 78 percent have incomes below 100 percent of the federal poverty level (\$9,570 per year for one individual)
- For a definition of Medicare/Medicaid dual eligibles see www.cms.hhs.gov/dualeligibles/bbadedef.asp

NOTE: Another group, comprised of about 2,400 individuals, participate in the **Medicare Savings Program**. N.D. Medicaid helps pay for their Medicare Part A and/or Part B premiums – NOT their prescriptions. ***This FACT SHEET DOES NOT apply to that group.*** They may qualify for extra help paying for the new Medicare drug benefit program. See the appropriate fact sheet.

If you are covered by Medicare AND Medicaid, what should you know about this change in prescription drug coverage?

- Medicare will start paying for your prescriptions on January 1, 2006.

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What you need to know:

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- The goal is to provide you with uninterrupted drug coverage.
- The Medicare Prescription Drug **Plans will vary in their costs to consumers, the drugs covered, and the participating pharmacies.** Out-of-pockets costs will be different for every individual, but should be low for dually eligible individuals.
- In October 2005, you will receive a letter from the Centers for Medicare and Medicaid (CMS) telling you that **you will automatically be enrolled into a particular Medicare Prescription Drug Plan, if you do not sign up for a plan by December 31, 2005.**
- According to CMS (Medicare), you should have several Prescription Drug Plans to choose from. You can enroll in the plan of your choice beginning November 15, 2005.
- You should **review the plan** listed in your letter **to make sure that it meets your needs.**
 - **Does the plan cover the medications you need?**
 - **Does your pharmacist participate in the plan?**
 - Plan information will be included in the *Medicare & You Handbook 2006* that CMS is mailing to all Medicare beneficiaries this fall.
 - Plan information will also be available at www.medicare.gov or by contacting 1-800-MEDICARE (1-800-633-4227), TTY 1-877-486-2048.
- You can change plans.
- **Medicaid will still pay for many of your other health costs. PLEASE keep your Medicaid card.**
- If due to unforeseen circumstances you experience a problem with Part D coverage, state law allows N.D. Medicaid to pay for prescriptions for a short period of time.

Other Resources:

- www.accesstobenefits.org
- The **N.D. Insurance Department's Senior Health Insurance Counseling** program (SHIC) will help people review prescription drug plan options. **Contact SHIC at 1-888-575-6611.**
- The N.D. Department of Human Services' Aging Services Division and the N.D. Center for Persons with Disabilities (Medicaid Infrastructure Grant) are providing staff and equipment (1 in each of the 8 administrative regions) to help people review plans and apply. To locate these Medicare specialists, call the Senior Info Line at 1-800-451-8693 between 8 a.m. and 5 p.m.

Will this reduce the state's Medicaid budget?

- During the state fiscal year that ended June 30, 2004, N.D. Medicaid spent \$45.9 million on medications. Dual eligible individuals accounted for 54 percent of these expenditures.
- The Medicaid Modernization Act of 2003 requires states to pay part of the drug costs of people who are shifting from Medicaid to Medicare drug coverage. In 2006, the state's share or "clawback" is 90 percent of the state's 2003 per capita drug expenditures for dual eligible individuals, plus inflation factors. The percentage of per capita expenditures in the funding formula will fall to about 75 percent over the next 10 years. The **state does not expect significant savings** in its Medicaid budget.

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