

The New Medicare Drug Benefit – Our Advice

Updated January 2007

The enrollment period for 2007 is over. Most people not yet enrolled in the new drug benefit will now have to wait until Nov. 15, 2007 for a six-week open enrollment period, for coverage that will start in January 2008.

The exceptions are:

- People who turn 65 at any point in 2007. They can enroll in the drug benefit when they enroll in Medicare's other coverage.
- People who newly qualify as disabled persons covered under Medicare. They can enroll upon eligibility.
- People whose annual income is below about \$15,000 (if alone) or \$20,000 (as a couple) and whose assets are less than about \$12,000 (individual) or \$24,000 (couple). If you meet these criteria, *we strongly recommend that you sign up for this new benefit as soon as possible*. You can enroll without penalty, the benefit will cost you very little if anything in premiums, and the government will pick up the lion's share of your prescription drug expenses.

Remember, the new drug benefit is insurance and you never know when you might be diagnosed with an ailment that could require regular use of one or more expensive medicines.

You can find out about drug benefit and how to enroll by going to www.Medicare.gov. This link will take you to the government's Web site for the new benefit. The Web site also has links to the government's "plan finder" tool. You can also call 1-800-Medicare.

Be Vigilant – Track Your Experience

We urge everyone with Part D coverage to track how their plan works for them in 2007. Part D is still new – for you, the government, and the dozens of insurers offering coverage. Lessons will be learned and changes made in the future. You can be part of that process if you keep tabs on things like: (a) what you spend on drugs out-of-pocket, (b) drugs not covered by your plan, (c) changes in the cost of your medicines, (d) how well your plan explains your coverage, and addresses your concerns, (e) how easy it is to reach people at your plan if you need help.

You'll want to be especially vigilant if you fall (or think you might fall) into the so-called "doughnut hole." That's the dreaded gap in coverage when your total drug expenses have topped \$2,400 but not yet reached \$5,450; you have to pay the full cost of your medicines during this \$3,050 gap in coverage.

Let the Medicare program know if problems occur. The easiest way to do that is by calling their 800-number. You can also tell us about your experience by filling out the Share Your Story form on this page (www.consumersunion.org/issues/medicaredrugs.html). Keeping track of your experience will also help if you decide to switch plans during the 2007 open enrollment period.

Check Your Medicines

We also recommend regular “drug checks” with your doctors. Even if you have Medicare Part D coverage, the best way to keep your prescription drug expenses down is by making sure you are taking medicines that give you the best value for your money.

For example, you may be able to switch to lower-cost generics, or to one of our *Best Buy Drugs*. In the 16 categories that we have evaluated to date, we have found many lower-cost drugs that are *equally as effective and safe* as more expensive (and often heavily advertised) drugs. Even if you have coverage, you may be able to save hundreds of dollars by switching to less expensive generics.

Keeping your expenses down will also help keep you from falling into the doughnut hole.

Shopping wisely for drugs can also save you money. This may mean buying drugs online or through mail order, checking prices at local pharmacies and discount stores, and getting a 90-day supply of any medicines you take on a regular basis.

Drug stores even in a single town or city can charge prices for the same drugs that vary by 50% or more. The big discount stores have been offering some common prescription drugs—and especially generics—at prices significantly below other pharmacy chains. Two discount stores (Wal-Mart and Target) now offer some generic drugs for a flat \$4 for a 30-day supply.

Consumers Union, *Consumer Reports*, and *Consumer Reports Best Buy Drugs* will continue to pay close attention to Medicare Part D and give you our best advice. So please come back to this site for updates and also visit: