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MMA - The Facts for Providers Regarding the Medicare Prescription Drug Plans That Will Become Available in 2006

Key Words

Prescription, Drug, SE0502, Discounts, Coverage, MMA

Provider Types Affected

All Medicare providers and any staff who have contact with Medicare beneficiaries

Key Points

- Beginning January 1, 2006, new Medicare prescription drug plans will be available to all people with Medicare.
- Insurance companies and other private companies will be working with Medicare to offer these drug plans and negotiate discounts on drug prices.
- These plans are different from the Medicare-approved drug discount cards that phase out by May 15, 2006, or when a beneficiary's enrollment in a Medicare prescription drug plan takes effect, if earlier.
- The cards offered discounts, while the plans offer insurance coverage for prescription drugs.
- Medicare prescription drug plans provide insurance coverage for prescription drugs and participating beneficiaries will pay:
 - A monthly premium (generally around \$37 in 2006); and
 - A share of the cost of their prescriptions (with costs varying depending on the drug plan chosen the beneficiary).
- Drug plans can vary depending on the following:
 - What prescription drugs are covered;
 - How much the beneficiary pays; and
 - Which pharmacies the beneficiary can use.

- If a beneficiary currently has Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance), the beneficiary can join a Medicare prescription drug plan between November 15, 2005, and May 15, 2006.
- Generally, a beneficiary can join or change plans once each year between November 15 and December 31.
- If a beneficiary joins a Medicare prescription drug plan:
 - By December 31, 2005, their coverage will begin on January 1, 2006; and
 - After December 31, 2005, their coverage will be effective the first day of the month after the month they join.

If they don't join a plan by May 15, 2006, and they don't have a drug plan that covers as much or more than a Medicare prescription drug plan, they will have to pay more each month to join later.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0502.pdf>

More information on provider education and outreach regarding drug coverage can be found at http://www.cms.hhs.gov/MLNProducts/23_DrugCoverage.asp#TopOfPage on the CMS web site.

The information contained in this article is based on a fact sheet for beneficiaries. To obtain a copy of this fact sheet for patients, visit <http://www.medicare.gov/Publications/Pubs/pdf/11065.pdf> on the CMS web site.

Additional information regarding prescription drug plans can be found at <http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/> on the CMS web site.

Further information on CMS implementation of the Medicare Modernization Act (MMA) can be found at <http://www.cms.hhs.gov/MMAUpdate> on the CMS web site.