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# Millions Face a Deadline for Choosing a New Medicare Plan

By [MILT FREUDENHEIM](#)

Decisions, decisions. The clock is ticking for millions of elderly and disabled people, who must decide whether and when to enroll in one of the new Medicare Part D drug plans that start Jan. 1, 2006.

The Part D program, named for its place within the written Medicare law, for the first time brings drugs under the Medicare tent, which covers 42 million people. It has been widely portrayed as hopelessly confusing.

And bewildering it can seem - in part because Congress set it up to be federally subsidized but run by the commercial insurance industry. Companies are clamoring to compete, and some are adding to the confusion by offering dozens of plans with a welter of wrinkles and widely varying prices. And as if to raise the degree of difficulty, some insurers are continually adjusting their offerings, even as consumers are trying to make a decision.

But before you throw up your hands, there are basic steps you can take to help decide which plan, if any, is right for you or for someone you are trying to assist. And as you proceed, take heart from Hari Peterson, a 69-year-old retired nurse in Warwick, R.I., who has survived the process.

"I found it to be confusing, but we really studied it," said Ms. Peterson, whose husband, Ray, 72, has drug coverage from the Department of Veterans Affairs that he plans to keep for now. She collected information on computer printouts from senior centers and talked with state insurance advisers at a Medicare fair at a nearby mall.

"I gave them my prescriptions and they pinpointed it down to two or three plans," she said. Ms. Peterson also plans to consult her longtime pharmacist before making a final selection.

If you are overwhelmed by the thought of wrestling with all this on the brink of the holiday season, there is a reprieve: You can make a selection by Dec. 31 if you want coverage to start in January, but you can also wait until as late as May 15 to select a plan, without penalty.

**GETTING STARTED.** If you have Internet access, begin at the [www.medicare.gov](http://www.medicare.gov) Web site. It can answer many questions and help with the plan comparisons.

In the first days of the sign-up period, which began Nov. 15, the site stalled at times, apparently swamped by the traffic. Medicare officials say it may be hardest to get access on Mondays between 11 a.m. and 3 p.m. Eastern time, so try it at off-peak hours. And if you're not a computer surfer, ask a Web-ready family member or friend to help.

Medicare is also operating a telephone help line around the clock, 1-800-MEDICARE, which has an automated voice system that chirps answers to some fundamental questions about the program. You can reach a real person by repeatedly saying "agent" in a loud, clear voice.

There is a lot of information in "Medicare & You," a book the government mailed to each beneficiary in October. If you can't lay your hands on your copy, ask the "agent" at 1-800-MEDICARE to send a copy. Inside the back cover are hot-line numbers for official health insurance advisers of the states, who can help with information about locally available plans. (In New York, the Medicare Rights Center hotline, at 1-800-333-4114, is available 9 a.m. to 3 p.m., Monday through Friday.)

**MEETING THE DEADLINES** As the automated voice at 1-800-MEDICARE says, "Take your time to compare plans and choose the one that best meets your needs." You have until Dec. 31 to select a plan that starts in January.

And if you make a decision today, you can still check for a better offer next week. Through Dec. 31, you can change your mind as often as you like. And it may pay to keep checking, because some insurers are continually adjusting their offerings. If you see a better deal, take it.

If you would rather wait, you have until May 15 to enroll, with your chosen plan taking effect the month after you sign up. But after Dec. 31, until May 15, you are permitted to change your mind just once.

After May 15, your next chance to enroll will be during the Nov. 15-Dec. 31 sign-up period. But you may have to pay a penalty. Unless you are already enrolled in a plan that an employer or union certifies is as good or better than Part D, your monthly premium could rise by at least 1 percent for each month of delay.

People who are not yet eligible for Medicare will have a seven-month window, starting 90 days before they turn 65, to sign up for Part D, without a penalty.

Beginning next November, and every year thereafter, members will have the option of changing plans during the Nov. 15-Dec. 31 annual enrollment. They can also change plans at any time if they enter a nursing home or move to an area not served by their existing plan.

**YOU ALREADY HAVE COVERAGE?** If you are already covered through an employer or union drug plan, you would probably want to stay put if that plan is as good as, or better than, the minimum requirements of a Medicare Part D plan.

The sponsor of your current plan was required to notify you by Nov. 15 how your coverage compares with the Part D minimum. (If your current plan provider has not sent you notification, contact the plan administrator, which is required by law to provide you with this information.)

Or maybe you already have drug coverage through a Medigap policy - a type of commercially available supplement to Medicare that has been available for years.

Medigap policies with drug coverage will not be sold to new customers after Jan. 1, but you can keep an existing plan at least temporarily or switch to a Medigap policy without drug coverage, to help cover hospital and doctor fees.

But note that under Medicare rules, Medigap drug coverage is generally not considered equivalent to the Part D minimum. So if you wait until after May 15 to switch to Part D, you could be penalized.

Low-income people who are eligible for both Medicaid and Medicare will be automatically enrolled in a Part D plan chosen for them. If they are dissatisfied with that plan, though, they can switch to another.

**STAND-ALONE OR PACKAGE DEAL?** If you decide to pursue Medicare drug coverage, you have two options. One is to enroll in a stand-alone Part D drug plan and continue to have the federal Medicare system cover treatment by whatever doctors or hospitals you select.

The alternative is a commercial Medicare Advantage plan, that combines drug coverage and doctor and hospital care in a single insurance program. Medicare officials and insurance companies are promoting this approach, which they say will be more efficient and which insurers expect to be more profitable.

In most stand-alone Part D plans, there is an annual \$250 deductible, after which enrollees pay an estimated 25 percent of their drug costs, until the total is \$2,250.

At that point, in a Congressionally mandated provision nicknamed the "doughnut hole," the consumer has to pay for the next \$2,850 worth of drugs. Beyond that point, the Part D plan will pay about 95 percent of the cost of each prescription. Or at least that is the way things will work in 2006.

Federal Medicare officials say that consumers will save money by joining Medicare Advantage plans. Premiums may vary from plan to plan but co-payments and deductibles may be lower and there may be limits on out-of-pocket costs. But in those managed care plans, enrollees typically have to pay more for drugs, doctors and hospitals that are not on the plan's preferred lists.

**CHOOSING A PLAN.** Before trying to compare plans, make a list of your drugs, including the dosage of each.

Now you're ready to use the [www.medicare.gov](http://www.medicare.gov) Web site or speak to an agent at 1-800-MEDICARE. You can also get information about individual plans at the sponsors' Web sites or by calling the insurers' toll-free numbers in your "Medicare & You" book.

On Medicare's Web site or phone line, you can select names of participating pharmacies in your ZIP code and compare drug prices, monthly premiums and estimated total annual costs.

AND KEEP IN MIND . . . Costs of the free-standing plans can vary widely, depending on the number and types of your drugs. In some cases, you may end up spending less over all by paying a higher monthly premium for one of the handful of stand-alone plans that include drug coverage in the "doughnut hole."

Thousands, but not all, pharmacies offer the discounted prices in Part D plans. Some plans also charge lower co-payments if drugs are ordered by mail in 90-day supplies. Some insurers, though, have arranged to offer the same deal on 90-day supplies purchased at national drugstore chains like Walgreen and Rite-Aid.

If your health takes a turn for the worse after you enroll and you need high-cost medicines not on the plan's preferred list, or not covered at all, your doctor can ask your plan to make an exception. Under the law, the plan has to determine if it will grant the exception within 72 hours. Denials can be appealed, which could be a lengthy process.

One worrisome prospect is a rule that permits a Part D plan to increase the co-payment or even end coverage for a drug on 60 days' notice. If the co-payment is raised, plan members could have no choice but to absorb the increase, because unless they move or enter a nursing home, or are on Medicaid, they would not be allowed to switch to a different plan until the next annual November-to-December enrollment period.

Steve Brueckner, a vice president of [Humana](#), a national sponsor of Part D plans, said dropping a drug was unlikely. With dozens of plans competing for members, he said, "practically speaking, that would be a highly damaging action."

But Mr. Brueckner said some plans might indeed raise the co-payments if the manufacturer of a drug raised prices.