



Press Release

For Immediate Release
10/16/07

For More Information
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Medicare Announces Changes for 2008

Denver, Co. Medicare beneficiaries are again facing decisions about selecting a prescription drug benefit. Prices have increased, formularies have changed, and low income seniors who were insured with Humana and/or AARP are facing a monthly premium or termination.

Medicare beneficiaries will also see significant increases the Part A deductible which will increase to \$1024 per benefit period for hospitalizations and the Part B deductible will increase to \$135. Nursing home co-pays for days 21-100 will be \$128 per day. In addition, the Part B premium will increase to \$96.40 for individuals whose net income is less than \$82,000 in 2007.

In 2008, the standard Part D benefit includes a \$275 deductible which is paid by the individual. Individuals have to pay 75% of the next \$2510 in prescription drug charges to the pharmacy.

After the beneficiary pays approximately \$875 in a deductible and the co-pays and the prescription drug plan pays approximately \$2510, the individual reaches the coverage gap (or the doughnut hole). In the coverage gap, the beneficiary is responsible for 100% of the cost of the prescriptions for the next \$4050. Individuals whose prescription drug costs are more than \$5726.25 will pay 5% of the cost, while the plan will pay 95%.

More than 18,000 low income seniors in Colorado who receive "Extra Help" who were automatically enrolled in a Humana or AARP prescription drug plan in 2007 or 2007 are being re-assigned to a new plan, regardless of the drugs that will be covered under the new plan in 2008.

Low income seniors receiving "Extra Help" who are automatically re-assigned to a new plan for 2008 have the right to sign up for the plan of their choice if another plan is determined to better meet their needs. To find the best plan, the current medications should be reviewed using the plan finder at www.medicare.gov. Co-payments for full benefit individuals receiving Medicare/Medicaid range from \$1.05 to \$5.60.

For the most part, the Medicare Part D stand-alone plans have increased their premiums and changed their formularies. Monthly premiums range from \$15.60 covering

only about 78% of the prescription drugs most frequently used by seniors to \$95.30 for a plan that covers 99% of the drugs.

Some Part D companies offer the standard benefit, while others offer some coverage for generics through the gap, charge variable co-payments and deductibles depending on the plan.

For those individuals who are looking to change from a Medicare Supplement or another Medicare Advantage, there are three primary types of plans that are being marketed in Colorado. These are traditional HMO plans, Private-Fee-For-Service, and Special Needs Plans.

For the most part, the traditional HMO plans have maintained a stable pricing structure for premiums and co-pays for 2008. Seniors who purchase a traditional HMO should ask about the deductibles for hospital stays, the co-payments for nursing home stays, diagnostic radiology services, ambulance services, emergency rooms, and outpatient procedures such as chemotherapy. Traditional HMOs, which have networks of providers, are strong on preventive services and offer reasonable prices for co-pays for office visits and lab expenses.

Another type of Medicare Advantage Plan is the Private-Fee-For-Service plan. Known as PFFS, these plans traditionally have low co-payments for office visits and prescription drugs. Plans often have limited coverage in addition to the basic Medicare coverage for such things as deductibles, excess charges and other out-of-pocket expenses. PFFS do not have a network. Any hospital or doctor who is willing to work with the plan can accept the insurance coverage.

Special Needs Plans, the third type of Medicare Advantage Plan, are usually targeted to help individuals enrolled in Medicare and Medicaid who are low income to manage chronic conditions, institutional placements in nursing homes, or mental health diagnoses. These plans have a network of physicians, hospitals, nursing homes, and home care agencies. Individuals receive special services to manage their situations. Often co-payments and deductibles are waived, although the individual may be charged a monthly premium.

Individuals who need assistance with enrollment in a Part D or Medicare Advantage Plan or have questions about Medicare can call 303-333-3482 or visit www.medicare.gov

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