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Elizabeth E. Gorham
South Dakota State University

Nancy J. Pauly
South Dakota State University

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How to Enroll in Medicare Part D Prescription Drug Insurance After May 15, 2006

Elizabeth E. Gorham, Extension Family Resource Management Specialist,
and Nancy J. Pauly, SDSU Extension Educator – Family and Consumer Sciences

If you did not meet the May 15, 2006, deadline for open initial enrollment in Medicare Part D Prescription Drug Insurance, what can you do to get enrolled?

This depends on your income, Medicare enrollment status, existing prescription drug coverage, and possible change of residence. Find the statement that best describes your situation to determine your options for enrollment in Medicare Part D.

If you are enrolled in both Medicare and Medicaid: ¹

You can enroll anytime during the month (but earlier in the month is best) to receive insurance. Insurance starts the following month after you enroll. If you want to change your plan, the same rules apply. You are allowed to change every month, with the new plan effective the following month.

If you are changing to a better plan, coverage is for the entire month. Expect to pay no or low monthly premiums, no or low deductible, and no or low co-payments for medications.

If you become ineligible for such benefits, you have three months to enroll in another prescription drug plan. You may keep the same plan but pay the required premium, deductible, and copays/co-insurance, or you may choose to enroll in no plan or another plan.

If you have Medicare and the state pays for your premium: ²

If you qualified for a Medicare savings program before April 30, Medicare should have randomly assigned you a Medicare Part D plan. This applies to those classified as QMB (Qualified Medicare Beneficiary), SLMB (Special Low-Income Medicare Beneficiary), and QI (Qualified Income).

You can change every month to a plan that better meets your individual needs. Coverage will be effective the first day of the following month.

If you do not have a Medicare Part D plan, and you apply and qualify for full or partial extra help after May 15, 2006, you have a Special Enrollment Period (SEP). This allows you to join a Medicare prescription drug insurance plan before the

next open enrollment begins on November 15. Generally, there is no need to reapply for extra help, unless you lose that status.

Expect to pay no premium penalty for late enrollment, as long as you enroll before the end of the calendar year.

If you are qualified for extra help because you meet both low-income and low-asset guidelines: ²

If you qualified for full or partial extra help before April 30, Medicare should have randomly assigned you a Medicare Part D plan. You can only change your enrollment one time before December 31. This change will be effective the first day of the following month.

If you do not have a Medicare Part D plan and you apply and qualify for full or partial extra help after May 15, 2006, you have a Special Enrollment Period (SEP). This allows you to join a Medicare prescription drug insurance plan before the next open enrollment begins on November 15.

Expect to pay no premium penalty for late enrollment as long as you enroll before the end of the calendar year. Generally, there is no need to reapply for extra help, unless you lose that status.

If you are a person with Medicare who does not qualify for extra help and you did not enroll in a Medicare Part D plan before the May 15, 2006 deadline:

You will have to wait until the next open enrollment period, which is scheduled to be offered every November 15 - December 31.

Expect to have the 1% per month late enrollment fee added to your monthly premium, in addition to your co-payments and/or co-insurance. The penalty is calculated as 1% times 7 months times the national monthly average premium of \$32, or a total of about \$2.25 for 2006.

If you turn 65 years old or become disabled and eligible to enroll in Medicare, after the first initial open enrollment period ending May 15: ³

You have the same seven months interval of time – three months before the month of your birth, your birth month, and three months after your birth month – to enroll in a Medicare Part D Prescription Drug Plan as you do to enroll in Medicare A and/or B.

Expect not to be charged any penalty for completing enrollment before the next annual open enrollment period of November 15 to December 31.

If you have creditable coverage under your employer or former employer and are dropped from coverage or opt out of coverage: ⁴

Creditable coverage is coverage that is as good as or better than Medicare Part D. You should have or get a letter documenting creditable coverage from your employer or former employer. You will have 60 days from the time the creditable coverage is dropped to enroll in a Medicare Part D Plan. The company may need to see your documentation of creditable coverage.

Expect to pay no penalty unless you do not enroll within the 60-day limit and cannot, in some other way, qualify for a Special Enrollment Period.

If you have no creditable coverage under your employer and are not getting any extra help and you did not sign up for Medicare Part D during the initial open enrollment period that ended May 15, 2006:

You must wait for the next open enrollment period starting November 15 and ending December 31, 2006. Insurance coverage will start on January 1, 2007.

The longer you wait to enroll, the greater the penalty you will pay. You are only allowed to enroll during each year's open enrollment period at the end of the year.

Expect to pay the 1% per month late enrollment fee as described above.

If you have reached age 65 but elect to continue working:

Those who work after age 65 with a qualifying group health plan are provided a Special Enrollment Period which can start at anytime.

If your employer's prescription drug insurance provides you with "creditable coverage" (previously defined), you can enroll in Medicare Part D whenever you drop your employer's coverage or when the employer drops that coverage. Your Special Enrollment Period lasts 60 days after coverage is dropped.

If you are enrolled in a Medicare Part D Prescription Drug Plan in South Dakota and are moving to another state: ⁵

If you notify the plan sponsor of your intentions to make a permanent move out of South Dakota, you have the month prior to the month of your permanent move and up to two months after your

move to enroll in a plan offered in the new state where you reside. If the same plan is offered in the new state, you simply update your address.

Expect no penalties to be assessed if changes are made within the designated period for establishing a new permanent residence and reporting it to your company.

All persons who have already enrolled in Medicare Part D:

During the Annual Election Period of November 15 - December 31, you can (without penalty) drop, change, or keep the same Part D insurance coverage that will become effective January 1.

For further assistance:

Consult your county Extension educator or contact Dr. Liz Gorham, state Extension family resource management specialist at South Dakota State University (605-688-4035).

Footnotes:

¹⁾ Centers for Medicare and Medicaid Services. *PDP Guidance: Eligibility, Enrollment, and Disenrollment*. "20.3.2 - SEP for Dual-eligible Individuals or Individuals Who Lose Their Dual-eligibility" (p. 11); "30.1.4 - Auto-Enrollment for Full Benefit Dual Eligible Individuals" (p. 26). Retrieved June 1, 2006 at http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PDP_EnrollmentGuidance_08.29.05.pdf

²⁾ *Ibid.* "30.1.5 - Facilitated Enrollment for Other Low Income Subsidy Eligible Individuals" (p.33); "20.3.8 - SEPs for Exceptional Conditions" (#8; p. 17).

³ *Ibid.* “10.1 - Entitlement to Medicare Parts A and/or B” (p. 6).

⁴ *Ibid.* “20.3.5 - SEP for Involuntary Loss of Creditable Prescription Drug Coverage” (p. 14).

⁵ *Ibid.* “20.3.1 - SEPs for Changes in Residence” (p. 10).

Retrieved May 23, 2006 at
http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_adp.php?p_faqid=6248

Centers for Medicare and Medicaid Services. (September 2005). *Handbook: Medicare and You 2006*. U.S. Department of Health and Human Services, Baltimore, MD.

Additional Sources

Centers for Medicare and Medicaid Services.
Fact Sheet: Ensuring an effective transition of dual eligibles from Medicaid to Medicare Part D.

Access at <http://agbiopubs.sdstate.edu/articles/ExEx14088pdf>

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