

# GEORGIA

## By the numbers: Medicare Part D



<b>946,229</b>	Medicare Part D beneficiaries in Georgia <sup>1</sup>		
<b>329,332</b>	Beneficiaries enrolled in Medicare Advantage prescription drug plans in 2015 <sup>2</sup>	<b>616,897</b>	Beneficiaries enrolled in stand-alone prescription drug plans in 2015 <sup>4</sup>
<b>64</b>	Number of Medicare Advantage plans available in 2017 <sup>3</sup>	<b>23</b>	Number of Part D Plans available in 2017 <sup>3</sup>
<b>36%</b>	Beneficiaries receiving Part D's Extra Help in 2017 <sup>3</sup>	<b>\$14.60</b>	Lowest monthly premium for a prescription drug plan in 2017 <sup>3</sup>
<b>15%</b>	Medicare beneficiaries as a percent of state population in 2015 <sup>5</sup>	<b>88%</b>	Beneficiaries with access to Part D plan with lower premium than what they paid in 2016 <sup>3</sup>

**In 2015, 71% of Medicare beneficiaries in Georgia were white, 25% were black, 2% were Hispanic and 0% were another ethnicity.<sup>6</sup>**

Medicare Part D is working well for beneficiaries and taxpayers... And it's getting better.

- Several surveys show that about 90% of Part D enrollees are satisfied with their coverage and say that their coverage works well.<sup>7</sup>
- In 2017, one third of all Part D stand-alone plans nationwide have no deductible.<sup>8</sup>
- Total Part D costs are 45%, or \$349 billion, less than initial projections for 2004-2013. Additionally, Part D drug spending was just 13.7% of total Medicare spending in 2016.<sup>9</sup>
- CBO changed its scoring methodology to reflect evidence that increased prescription drug use leads to offsetting reductions in Medicare spending for other medical services.<sup>10</sup>
- Part D helped expand drug coverage and improve adherence to medicines; gaining Medicare Part D prescription drug coverage was tied to an 8% decrease in hospital admissions for seniors overall, with higher reductions for certain conditions.<sup>11</sup>
- A growing body of research finds reductions in mortality following the implementation of Part D. One study found, since the implementation of Part D in 2006, nearly 200,000 Medicare beneficiaries have lived at least one year longer with an average increase in longevity of 3.3 years.<sup>12</sup>

**Sources:** <sup>1</sup>See Medicare Advantage: MA-PD Plan Enrollment and Medicare Prescription Drug Plans: Stand Alone PDP Enrollment at [www.kff.org](http://www.kff.org); <sup>2</sup>CMS Part D State Fact Sheets "Medicare in Georgia, 2017," at [www.cms.gov](http://www.cms.gov); <sup>3</sup>See Medicare Advantage: MA-PD Plan Enrollment at [www.kff.org](http://www.kff.org); <sup>4</sup>CMS Part D State Fact Sheets "Medicare in Georgia, 2017," at [www.cms.gov](http://www.cms.gov); <sup>5</sup>See Medicare Prescription Drug Plans: Stand Alone PDP Enrollment at [www.kff.org](http://www.kff.org); <sup>6</sup>See Medicare Beneficiaries as a Percent of Total Population at [www.kff.org](http://www.kff.org); <sup>7</sup>See Profile of Medicare Beneficiaries by Race and Ethnicity: A Chartpack at [www.kff.org](http://www.kff.org); <sup>8</sup>Morning Consult Survey for Medicare Today, "New National Survey: Nearly Nine in 10 Seniors Satisfied with Medicare Part D" July 2017. <sup>9</sup>Medicare Part D: A First Look at Prescription Drug Plans in 2017 at [www.kff.org](http://www.kff.org); <sup>10</sup>Congressional Budget Office, see CBO Medicare baselines at [www.cbo.gov](http://www.cbo.gov); <sup>11</sup>Congressional Budget Office, 2013 at [www.cbo.gov](http://www.cbo.gov); <sup>12</sup>Effects of Prescription Drug Insurance on Hospitalization and Mortality: Evidence from Medicare Part D," National Bureau of Economic Research, February 2014. <sup>13</sup>Reductions in Mortality Among Medicare Beneficiaries Following the Implementation of Medicare Part D, American Journal of Medical Care, July 2015.

## Part D: A Medicare Success Story

### Medicare Part D is the rare government program that has repeatedly come in under budget.

- Total Part D costs are \$349 billion—or 45 percent—less than the initial 2004-2013 projection period. (Source: *Figures from the Congressional Budget Office*)<sup>1</sup>
- In 2016, Medicare Part D spending was just 13.7 percent of total Medicare spending. (Source: *Congressional Budget Office*)<sup>2</sup>

### Medicare Part D is helping control government costs by reducing spending in Parts A and B.

- The implementation of Part D was associated with a \$1,200 average reduction in nondrug medical spending for Medicare beneficiaries with limited prior drug coverage in each of the first two years of the program. (Source: *2011 Journal of the American Medical Association Study*)<sup>3</sup>
- Improved medication adherence connected with the expansion of drug coverage under Part D led to about a \$2.6 billion reduction in medical expenditures annually among beneficiaries diagnosed with congestive heart failure who did not have prior comprehensive drug coverage. Over the next 10 years, further improvement in adherence among Part D enrollees with congestive heart failure could yield \$22.4 billion in federal savings. (Source: *2013 American Journal of Managed Care Study*)<sup>4</sup>

### Medicare Part D enjoys high satisfaction rates among beneficiaries and is increasing access to needed medicines.

- According to recent studies, about 90 percent of seniors enrolled in Medicare Part D are satisfied with their coverage (Sources: *Medicare Payment Advisory Commission, 2013, and Medicare Today Beneficiary Satisfaction Survey, 2017*)<sup>5</sup>
- Ninety-five percent of seniors enrolled in Medicare Part D believe that the level of coverage they receive meets their needs. (Source: *Medicare Payment Advisory Commission, 2013*)<sup>6</sup>
- The average monthly Part D premium is estimated to decline to an estimated \$33.50 in 2018, which is approximately \$1.20 lower than the actual average premium of \$34.70 in 2017. Monthly premiums have remained relatively stable since 2011 and are substantially lower than original projections for 2017. (Source: *Centers for Medicare & Medicaid Services, 2016 and Medicare Trustees Report, 2008*)<sup>7</sup>
- Nearly 11 million seniors gained comprehensive prescription drug coverage as a result of Part D in the first year of the program. In 2016, about 41 million Medicare beneficiaries had comprehensive prescription drug coverage through Part D. (Source: *2011 American Journal of Managed Care Study, and Medicare Payment Advisory Commission, 2017*)<sup>8</sup>

---

#### References:

1. See CBO Medicare Baselines available at [www.cbo.gov](http://www.cbo.gov).
2. CBO, March 2016 Medicare Baseline Spending Forecast. Calculated as the share of Part D spending in components of Mandatory Outlays. Available at <https://www.cbo.gov/sites/default/files/51302-2016-03-Medicare.pdf>. Published March 24, 2016.
3. J.M. McWilliams et al. "Implementation of Medicare Part D and Nondrug Medical Spending for Elderly Adults with Limited Prior Drug Coverage," *Journal of the American Medical Association*, July 2011.
4. Timothy M. Dall, MS, et al. "The Economic Impact of Medicare Part D on Congestive Heart Failure," *American Journal of Managed Care*, May 2013.
5. Medicare Payment Advisory Commission, "Report to the Congress, Medicare Payment Policy," March 2013, p. 344. [www.medpac.gov/documents/Mar13\\_entirereport.pdf](http://www.medpac.gov/documents/Mar13_entirereport.pdf); and Medicare Today, National Tracking Poll, July 2017. Available at <http://medicaretoday.org/resources/senior-satisfaction-survey/>.
6. Medicare Payment Advisory Commission, "Report to the Congress, Medicare Payment Policy," March 2013, p. 344. [www.medpac.gov/documents/Mar13\\_entirereport.pdf](http://www.medpac.gov/documents/Mar13_entirereport.pdf)
7. CMS, "Medicare projects relatively stable average prescription drug premiums in 2017," 29 July 2016; and 2008 Medicare Trustees Report, p. 178
8. C.C. Afendulis et al. "State-Level Impacts of Medicare Part D," *The American Journal of Managed Care*, October 2011; and Medicare Payment Advisory Commission, "Report to the Congress: Medicare Payment Policy," March 2017, p. 369.

## Medicare Open Enrollment

### Fast Facts

- WHAT:** Medicare open enrollment is the annual period during which you can review, compare and select your health care plan choices, including your Medicare Part D prescription drug plan.
- WHEN:** Open enrollment for 2018 starts on **Sunday, October 15, 2017** and closes on **Thursday, December 7, 2017**.
- WHO:** Medicare Part D plans are available to those eligible for Medicare.
- If you turn 65 this year, you can enroll during the three months before the month you turn 65, your birthday month and the three months after.
  - If you are under 65 and have been eligible for Social Security disability payments for two years, have permanent kidney failure, or meet a number of other conditions, you may be eligible for Medicare.
  - Some people with limited resources and income may qualify for the Extra Help program to pay for some of the costs related to a Medicare prescription drug plan. If you qualify for Extra Help, you can enroll anytime.
- WHY:** This time period is an opportunity for you to evaluate and update your current prescription drug plan based on your costs and individual health needs, or enroll for the first time.
- Prescription drug plans change and new plans become available each year that could offer better coverage and/or save you money.
- HOW:** Call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit Medicare.gov.

### Tips & Resources

- Ask a family member, friend or caregiver to evaluate your options with you and help decide which prescription drug plan best fits your needs. Here are a few things to consider:
  - Does the plan cover the medications you currently take or expect to take?
  - In addition to the monthly premium, what are your expected out-of-pocket medication costs for 2018 under different plans?
  - What pharmacies can you use to get your medications under different plans?
  - How is a plan performing based on its Star Rating?
- Check out the **Medicare Plan Finder** at [Medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan), which provides details on the prescription drug plans available in your area.
- Visit the National Council on Aging's "**My Medicare Matters**" website ([www.mymedicarematters.org](http://www.mymedicarematters.org)) for resources on how to choose or switch Medicare Part D plans.
- Access GeorgiaCares for help locally. [www.mygeorgiacares.org](http://www.mygeorgiacares.org), 1-866-552-4464

## Fact Sheet: Medicare Part D Extra Help Program in 2018

### What is Extra Help?

Part D prescription drug coverage is available for any Medicare beneficiary. Extra Help is a program within Medicare that assists individuals with the cost of their Part D prescription drug plan. Some Medicare beneficiaries with limited resources and income are eligible for the Extra Help program.

### What does Extra Help cover?

Extra Help assists eligible beneficiaries with paying for costs associated with their Medicare Part D prescription drug plan, like annual deductibles, monthly premiums and prescription co-payments or coinsurance.

### How Much Will You Pay In Extra Help?

With the **full Extra Help** benefit in 2018, an eligible beneficiary should pay no more than \$3.35 for a generic drug (or a brand-name drug treated as a generic) and \$8.35 for any other brand-name drug. For those qualifying for **partial Extra Help**, an eligible beneficiary should pay no more than 15 percent of the cost of drugs on your plan's formulary (or list of covered drugs)—or the plan copay, whichever is less—until you reach the out-of-pocket maximum. Most people who qualify for Extra Help also pay nothing, or a reduced amount, for their monthly premium and annual deductible.

Medicare enrollees who have Medicaid, live in an institution like a nursing home, or receive home and community based services should not be paying anything out of pocket for their prescription drugs.

### How to Qualify for Extra Help

Many Medicare beneficiaries qualify for Extra Help and don't even know it. To qualify for Extra Help:

- 1) You must be enrolled in a Medicare Part D prescription drug plan.
- 2) You must reside in one of the 50 states or the District of Columbia.
- 3) Your annual income must be less than \$18,090 for an individual or \$24,360 for a married couple living together. Even those individuals or couples with incomes exceeding the threshold may still be eligible for assistance (For example, if you or your spouse support other family members who live with you, have work-related earnings or live in Hawaii or Alaska).
- 4) Your resources cannot exceed \$8,890 for an individual or \$14,090 for a married couple who live together to receive full Extra Help, or \$13,820 for an individual or \$27,600 for a married couple who live together to receive partial Extra Help. Resources include: bank accounts, stocks and bonds. Resources do not include: your home, your car, or life insurance policies.

### How to Apply for Extra Help

To apply for Extra Help, you must complete Social Security's *Application for Extra Help with Medicare Prescription Drug Plan Costs* (SSA-1020). You can apply in the following ways:

- Apply online at [www.socialsecurity.gov/extrahelp](http://www.socialsecurity.gov/extrahelp);
- Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) to apply over the phone or to request an application; or
- Apply at your local Social Security office.

⋮  
○  
**PART D**  
open enrollment

---

Once you've submitted your application, Social Security will review it and send a determination letter to inform you whether or not you've qualified. As soon as you receive your eligibility determination, you can choose a Medicare Part D prescription drug plan.

**Being deemed eligible for Extra Help does not automatically enroll you in a Medicare prescription drug plan.** While some beneficiaries with the full Extra Help benefit may be automatically enrolled in a Part D prescription drug plan, it is still important to follow up to ensure that you are enrolled once your Extra Help application is approved. If you are automatically enrolled but do not choose a plan for yourself, the Centers for Medicare and Medicaid Services (CMS) will randomly assign you to a plan.

#### **What If You Don't Qualify for Extra Help?**

If you are not eligible for Extra Help, but are eligible for Medicare, you are still able to enroll in a Medicare Part D prescription drug plan. Additionally:

- [Find out if your state offers help paying for drug costs](#), or
- [Find out if the company that makes your drug offers help paying for it.](#)

#### **How to Ensure You're Paying the Right Amount in Extra Help**

If you think you're paying the wrong amount, call your Medicare Part D drug plan. Your plan may ask you to provide information to help them verify if the level of Extra Help you are receiving is correct. Here is a list of documents you can use to help prove you qualify for Extra Help:

- A purple notice from Medicare that says you automatically qualify for Extra Help.
- A yellow or green automatic enrollment notice from Medicare.
- An Extra Help "Notice of Award" from Social Security.
- An orange notice from Medicare that says your copayment amount will change next year.
- If you have Supplemental Security Income (SSI), you can use your award letter from Social Security as proof that you have SSI.

#### **Medicare Savings Program**

In addition to Extra Help, Medicare has a program called the Medicare Savings Program (MSP). These are state programs that help with other Medicare-associated costs (ex: Medicare Part B's medical insurance premiums). By filling out an Extra Help application, you are automatically beginning the application process for MSP as well. Your state will contact you in order to complete the MSP application process. If you would like to opt-out of applying for MSP, there is a place to indicate that on your Extra Help application.

#### **Further Information**

For more information on Extra Help or assistance applying to the program, go to [www.socialsecurity.gov/extrahelp](http://www.socialsecurity.gov/extrahelp) or call Social Security at 1-800-772-1213 TTY 1-800-325-0778.

For more information on the Medicare Savings Program, Medicare Part D prescription drug plans, enrollment periods or other Medicare-related concerns, go to [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227) TTY 1-877-486-2048.