

Medicare Part-D brings a New World of Healthcare

When the ball drops on New Year's Eve, more than just a new year will be ushered in. On that day, the greatest changes to the Medicare benefit program since its inception will become effective that day.

Simply put, the Federal government will, for the first time, provide some support for prescription drug expenses, the one area of health care which was omitted from the original Medicare program. The program will provide, after an initial \$ 250 deductible, 75% of the cost of the next \$ 2,000 of drug expenses, and the participant will pay 25%. After \$ 2,250, the participant must pay 100% of the next \$ 2,850 (the "donut hole"). Once drug expenses have totaled \$ 5,100, Medicare Part-D will pay 95% of the cost, and the participant will pay 5% (the "Catastrophic" benefit). The amount the participant pays is referred to as "TrOOP" (True Out-of-Pocket Cost).

With Medicare Part-B, which pays for medical and laboratory services, a Medicare-eligible person who does not retire, or is retired but covered by someone who remains employed and has medical benefits, may elect to defer participating in (and paying for) Medicare Part-B, even if the coverage provided is less-generous than Medicare coverage. With Part-D, that is not the case. With Medicare Part-D, if the coverage you have through an employer or spouse is "not as good" (and there are rules for defining what is "as good as" the Medicare benefit), you **MUST** enroll in Part-D or be penalized 1% of the premium per month you did not enroll when you decide to enroll. Enrollment costs are projected at \$ 35.00 per month.

It has been determined that the benefits provided to active (still working) Department of Education members and Day Care directors is "as good as" the Medicare benefit. The required notification of this fact will be published in a forthcoming issue of the CSA News. The benefit provided to retired Day Care directors is NOT "as good as" the Medicare benefit, and the Trustees are developing a strategy to address the prescription drug benefit needs of these members, and the required written notification of that fact will be provided to those participants.. New York City, and the city-provided health plans have not as yet indicated their plans to address Medicare Part-D needs of our **RETIRED** Department of Education members. When we know their intentions we will advise retirees of their options.