

## Getting the word out about Medicare prescription drug plans

### New choices are coming this year

CAHF, the California Association of Health Facilities, is eager to help the federal Centers for Medicare & Medicaid Services get the word out to consumers about the new Medicare prescription drug plans.

“These changes are still months away, but we want to do what we can to make sure Medicare beneficiaries here in California know what their options are,” said Peggy Goldstein, CAHF vice president.

Beginning in January 2006, new Medicare prescription drug plans will be available to people with Medicare through participating insurance companies which will negotiate discounts on drug prices.

Under the Medicare Modernization Act, these plans differ from the Medicare-approved drug discount cards, which will be phased out by May 2006.

Medicare prescription drug plans will provide insurance coverage for prescription drugs. As with other insurance, if you join, you will pay a monthly premium – generally around \$35 in 2006 – and pay a share of the cost of your prescriptions. Costs vary depending on the drugs.

Drug plans may vary as to what drugs are covered, how much you have to pay and which pharmacies you can use. But all the plans will have to provide at least a standard level of coverage which Medicare will set. When Medicare beneficiaries join a drug plan, it is important for them to choose one that meets their needs.

### When can you join?

If you currently have Medicare Part A (hospitalization) or Medicare Part B (doctor bills), you can join

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## States, federal government look for Medicaid solutions

Gov. Arnold Schwarzenegger and California legislative leaders, as well governors and officials from virtually every other state, have been visiting Washington, D.C., with the same message: Help us make Medicaid work.

“For many states now, Medicaid costs are outstripping education,” Virginia Gov. Mark Warner told The Associated Press.

Nationwide, the costs of Medicaid – called Medi-Cal in California – have shot up more than 60 percent in the last five years. The crisis is shared by the states and the federal government because Medicaid is paid for through state and federal matching funds.

Governors fear that Congress will cut federal Medicaid spending leaving the states to pay for important programs, including long-term care.

Alan E. DeFend, vice president of the American Health Care Association, CAHF’s national affiliate, said, “If Medicaid payments are now reduced, that could disrupt the financial stability of nursing homes, threatening the improvements we’ve made in the quality of care.”

Long-term care is a big part of Medicaid. Some two-thirds of nursing-facility residents and virtually all clients at intermediate-care homes for people with developmental disabilities are Medicaid recipients.

## *Help from Medi-Cal with Medicare costs*

People who receive Medicare benefits sometimes also qualify for the following special Medi-Cal programs:

- The **Qualified Medicare Beneficiary** program pays for the Medicare Part A (hospitalization) and Part B (doctor bills) premiums, co-insurance and deductibles. To be eligible you must have income at or below 100 percent of the federal poverty level.
- The **Specified Low-Income Beneficiary and Qualifying Individual 1** program pays for the Medicare Part B premium. To be eligible you must have income below 135 percent of the federal poverty level.

- The **Qualifying Individual 2** program reimburses you for a portion of your Medicare Part B premium that you have paid. To be eligible you must have income below 175 percent of the federal poverty level.

- The **Qualified Disabled Working Individual** program pays the Medicare Part A premium. To be eligible you must have income at or below 200 percent of the Federal poverty level, be disabled, be employed and eligible under any other Medi-Cal program.

Even Medicare beneficiaries who don't qualify for the above assistance programs can use their Medicare A and B premiums as allowable deductions in the calculation of Medi-Cal share of costs.

**Source: California Department of Health Services (DHS), online at [www.dhs.ca.gov](http://www.dhs.ca.gov).**

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a Medicare prescription drug plan between Nov. 15, 2005, and May 15, 2006.

If you join by Dec. 31, your Medicare prescription drug coverage will begin on Jan. 1, 2006. If you join later, your coverage will begin on the first day of the next month.

The Centers for Medicare & Medicaid Services – known as CMS – says that even if you don't use a lot of prescription drugs, you still should consider joining a plan. If you don't join a Medicare prescription drug plan by May 15, 2006, you could end up paying more to join later.

### **What if you can't pay for a Medicare prescription drug plan?**

Some Medicare beneficiaries with income at or below a set amount and with limited assets (including savings and stocks but not counting their home) will qualify for extra help. The exact income limits will be set early this year.

Those who qualify will get help paying the monthly premiums for their Medicare prescription drug plan and/or for some of the cost of their prescriptions.

### **Do Medicare prescription drug plan work with all kinds of Medicare health plans?**

Yes. There will be Medicare prescription drug plans that add coverage to the original Medicare plan. These plans will be offered by insurance companies and other private companies. In some areas, there also will be drug plans that are a part of Medicare Advantage Plans (like HMOs.)

### **What if you already have prescription drug coverage through Medigap?**

If you have a Medigap supplemental insurance policy with drug coverage, you will get a detailed notice from your insurance company explaining whether your policy covers as much as or more than a Medicare prescription drug plan.

### **What if you have prescription drug coverage from an employer or union?**

Similarly, if you have prescription drug coverage from an employer or union, you will get a notice explaining whether your policy covers as much as or more than a Medicare prescription drug plan.

If your plan covers as much as or more than a Medicare prescription drug plan, you can choose to keep

## What rights do residents have?

CAHF's *Families & Friends Bulletin* has published information in the past about the rights of long-term care residents and clients – but the information is so important that it bears repeating periodically.

Residents of nursing facilities and clients of intermediate-care facilities for people with developmental disabilities are protected by a bill of rights, which caregivers and state officials take very seriously. Observance of and adherence to the bill of resident rights are the guiding forces in the daily operations of today's long-term care facilities.

The statement of resident rights is a lengthy document designed to promote and protect the rights of individuals in a facility. These are just a few of the many areas addressed by the statement of rights.

Residents have the right to:

- Participate to the fullest extent possible in their own care plans.

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your current plan, and if you join a Medicare prescription drug plan later, your monthly premium will not increase.

You also will have the option of dropping your current drug plan and joining a Medicare prescription drug plan – but in that case you may not be able to rejoin your employer or union drug plan.

If your employer or union plan covers less than a Medicare prescription drug plan, you have several options:

- Keep your current plan and join a Medicare prescription drug plan to give you more complete coverage, or;
- Keep just your current plan – although, if you later join a Medicare prescription drug plan, you will have to pay a higher monthly premium; or
- Drop your current plan and join a Medicare prescription drug plan – although then you may not be able to rejoin your employer or union plan.

### When will you get more information?

Throughout 2005, Medicare will provide beneficiaries with more information about Medicare prescription

- Manage their own finances or to have the responsibility given to a designated guardian (i.e. family or friend).
- Privacy, both in their rooms and during visits from family and friends.
- Safe, clean living conditions.
- Participate in activities both in and out of the facility.
- Retain and exercise all constitutional, civil and legal rights to which the resident is entitled by law.
- Maintain religious practices.
- Prepare advance directives for health care.

For a complete list of nursing-facility resident rights, go online to <http://www.dhs.cahwnet.gov/lnc/rights/factst4.htm>.

Upon admission, long-term care providers are required to give residents and/or their guardians a copy of the statement of resident rights. In addition, facilities must give a copy to the resident's next of kin and to all facility staff and must post these rights prominently in a public place within the facility.

drug plans, including how to choose and join a plan that best meets your needs. Next fall, the "Medicare and You 2006" handbook will list Medicare prescription drug plans available in your area.

### How can you get help choosing a Medicare prescription drug plan?

Starting next fall, Medicare beneficiaries will be able to get personalized information online at [www.medicare.gov](http://www.medicare.gov) or by telephoning (800) MEDICARE.

*We want to hear  
from you*

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## CAHF thanks 'electronic' Families & Friends

Thanks again to those of you who are willing – and able – to receive the *Families & Friends Bulletin* electronically.

CAHF's Families & Friends program grew so rapidly during 2004 that mailing thousands of copies of the newsletter became a major task.

But thousands of Families & Friends with access to e-mail and the Internet have made the job easier by opting to receive the online version of the *Families & Friends Bulletin*.

For those Families & Friends, there's no waiting for the mailed hard copy of the newsletter. Instead, they receive an e-mail notice directing them to view the new *Families & Friends Bulletin* on the CAHF Web site at [www.cahf.org](http://www.cahf.org).

Both versions have the same articles and useful contacts that appear in every edition.

If you have e-mail and access to the Internet and the idea of an electronic *Families & Friends Bulletin* appeals to you, please contact Debbie Ross at CAHF at [dross@cahf.org](mailto:dross@cahf.org).

