

# Medicare Modernization Act

DHS MMA Project

## *Medicare Prescription Drug Program*

### Help for Medicaid Clients with Medicare

#### Background

The Medicare Prescription Drug Improvement and Modernization Act is a federal law creating new prescription drug coverage for people with Medicare. Any person who is eligible for Medicare Part A and/or has Medicare Part B is eligible for this program.

People with Medicare and Medicaid currently get prescriptions covered under Medicaid (OHP). Starting January 1, 2006, prescription drug coverage will switch to Medicare. Medicaid will continue to pay your other medical costs. Most people with Medicare and Medicaid will have copayments between \$1 and \$5 for each prescription.

#### Current status

In June 2005, Centers for Medicare and Medicaid Services (CMS) sent most people with Medicare and Medicaid a letter telling them that they are automatically eligible for extra financial help when MMA begins on January 1, 2006. People with Medicare who have Medicaid, Supplemental Security Income, and/or are in a Medicare Savings Program **do not have to apply** for extra help through the Social Security Administration.

#### Extra help

- People with Medicare and Medicaid will not have to pay:
  - A monthly premium, or
  - Any deductibles.
- A person with Medicare and Medicaid with income:
  - **At or below** 100% FPL will pay \$1 for generic prescriptions and \$3 for name-brand prescriptions.
  - **Above** 100% FPL will pay \$2 for generic prescriptions and \$5 for name-brand prescriptions.

**Federal Poverty Level = FPL**

**In 2005 FPL is:**

- \$798 a month for an individual
- \$1069 a month for a married couple

- There are no copayments for people with Medicare or Medicaid who are in a Nursing Facility, an Intermediate Care Facility for the Mentally Retarded, or a Psychiatric Hospital

**For more information**

- Contact Medicare at 1-800-633-4227 (TTY 1-877-486-2048).
- Your local social service office; or
- The Department of Human Services' Medicare Helpline at 1-877-585-0007.