



Some food for thought, etc.

October 2018

Medicare Prescription Drug Coverage

If you're covered by Medicare, here's some welcome news — Medicare drug coverage can help you handle the rising cost of prescriptions. If you're covered by Original Medicare, some Medicare Cost Plans, Medicare Private Fee-For-Service Plans, or Medicare Medical Savings Account Plans, you can sign up for a Medicare Prescription Drug Plan (Part D) offered in your area by a private company or insurer that has been approved by Medicare.

Although prescription drug plans vary, all provide a standard amount of coverage set by Medicare. Every plan offers a broad choice of brand name and generic drugs at local pharmacies or through the mail. However, some plans cover more drugs or offer a wider selection of pharmacies (for a higher premium) than others, so you'll want to choose the plan that best meets your needs and budget.

Most Medicare Advantage (Part C) plans (such as HMOs or PPOs) also offer prescription drug coverage.

How much will it cost?

What you'll pay for Medicare drug coverage depends on which plan you choose. But here's a look at how the cost of Medicare drug coverage for a standard plan is generally structured. All figures are for 2018.

A monthly premium: Most plans charge a monthly premium. Premiums vary, but average \$33.50. (Source: Centers for Medicare & Medicaid Services.) This is in addition to the premium you pay for Medicare Part B. You can have the premium deducted from your Social Security check, or you can pay your Medicare drug plan company directly.

An annual deductible: Plans may require you to satisfy an annual deductible of up to \$405. Deductibles vary widely, so make sure you compare deductibles when choosing a plan.

A share of your prescription costs: Once you've satisfied the annual deductible, if any, you'll generally need to pay 25% of your prescription costs and your Medicare drug plan will pay 75% of your costs until they total \$3,750. After that, there's a coverage gap (also called the "donut hole"); you'll need to pay 100% of your prescription costs while you're in the donut hole. (Some plans offer coverage for this gap.) However, once your prescription costs for the year total \$7,508.75 — you've paid \$5,000 and Medicare has paid \$2,508.75 — your Medicare drug plan will generally cover 95% of any further prescription costs. For the rest of the year, you'll pay either a coinsurance amount (e.g., 5% of the prescription cost) or a small copayment for each prescription, whichever is greater.



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In 2018, if you have spending in the coverage gap, you'll receive a 65% discount on covered brand-name drugs, and a 56% discount on covered generic drugs.

Again, keep in mind that all figures are for 2018 only — costs and limits may change each year, and vary among plans.

Total prescription costs in 2018	What you pay	What Medicare pays
\$0 to \$405	You pay deductible of \$405 (some plans may offer lower deductibles)	Medicare pays nothing until deductible is satisfied
\$405 to \$3,750	You pay 25% of costs	Medicare pays 75% of costs
\$3,750 to \$7,508.75	You pay 100% of costs	Medicare pays nothing
Over \$7,508.75	You pay 5% of costs or small copayment	Medicare pays 95% of costs

What if you can't afford coverage?

Extra help with Medicare drug plan costs is available to people who have limited income and resources. Medicare will pay all or most of the drug plan costs of people who qualify for help. If you haven't already received a letter telling you that you have automatically qualified for help, you can apply online at the Social Security website, ssa.gov, or at your local Medicaid office.

When can you join?

Individuals new to Medicare have seven months to enroll in a drug plan (three months before, the month of, and three months after becoming eligible for Medicare). Current Medicare beneficiaries can generally enroll in a drug plan or change drug plans during the annual election period that occurs between October 15 and December 7 of each year, and their Medicare prescription drug coverage will become effective on January 1 of the following year. If you qualify for special help, you can enroll in a drug plan at anytime during the year. Certain other events may qualify you for a Special Enrollment Period outside of the annual election period when you can enroll in a plan or switch plans.

If you already have Medicare drug coverage, remember to review your plan each fall to make sure it still meets your needs. Before the start of the annual election period, you should receive a notice from your current plan letting you know of any important plan modifications or additional plan options. Unless you decide to make a change, you'll automatically be re-enrolled in the same drug plan for the upcoming year.

Do you have to join?

No. The Medicare prescription drug benefit is voluntary. However, when deciding whether or not to enroll, keep in mind that if you don't join when you're first eligible, but decide to join in a future year, you'll pay a premium penalty that will permanently increase the cost of your coverage. There's an exception to this premium penalty, though, if the reason you didn't join sooner was because you already had creditable prescription drug coverage, defined as coverage through another source (such as employer health plan) that was at least as good as the coverage available through Medicare. If you have coverage through another source, talk to your benefits administrator, insurer, or plan before making changes to your coverage. If you drop your coverage, you may not be able to get it back.

Once you join a plan, you'll receive a prescription drug card and detailed information about the plan. In order to receive drug coverage, you'll generally have to fill your prescription at a pharmacy that is in your drug plan's network or through a mail-order service in that network.



“Financial crises require governments.”
- Timothy Geithner



“Great money management is not a prediction, but a disciplined reaction.”
- Bill Miller



“Derivatives are financial weapons of mass destruction.”
- Warren Buffett



“Wall Street people learn nothing and forget everything.”
- Benjamin Graham

Recipe of the Month

Banana Crumb Muffins

Prep Total Time: 35 min

Ingredients:

- *1 1/2 cups all-purpose flour*
- *1 teaspoon baking soda*
- *1 teaspoon baking powder*
- *1/2 teaspoon salt*
- *3 bananas, mashed*
- *3/4 cup white sugar*
- *1 egg, lightly beaten*
- *1/3 cup butter, melted*
- *1/3 cup packed brown sugar*
- *2 tablespoons all-purpose flour*
- *1/8 teaspoon ground cinnamon*
- *1 tablespoon butter*



Directions:

- Preheat oven to 375 degrees F (190 degrees C). Lightly grease 10 muffin cups, or line with muffin papers.
- In a large bowl, mix together 1 1/2 cups flour, baking soda, baking powder and salt. In another bowl, beat together bananas, sugar, egg and melted butter. Stir the banana mixture into the flour mixture just until moistened. Spoon batter into prepared muffin cups.
- In a small bowl, mix together brown sugar, 2 tablespoons flour and cinnamon. Cut in 1 tablespoon butter until mixture resembles coarse cornmeal. Sprinkle topping over muffins.
- Bake in preheated oven for 18 to 20 minutes, until a toothpick inserted into center of a muffin comes out clean.

Original recipe makes 10 servings.