



Dear Stan,

I am new to Medicare and have several prescription drugs I need to take. Two of my prescriptions are very expensive and some months I can't afford to pay for them. Is there prescription drug insurance or Medicare programs I can get to help pay for my prescriptions.

Lucia

Santa Fe

Report Medicare Related Fraud by calling the New Mexico Senior Medicare Patrol (SMP) at

1-800-432-2080

The SMP will provide you with the information you need to PREVENT, DETECT and REPORT Medicare fraud, errors, and abuse.

Dear Lucia,

Prescription drug insurance is a critical component of the Medicare health insurance program. 89 percent of people on Medicare take prescription drugs. They are an important part of treatment for lung, heart disease, diabetes, and many other afflictions. Nearly 439,400 New Mexicans are on Medicare.

Most seniors on Medicare get their prescriptions with **Medicare Part D** or **Medicare Advantage** plans. Medicare prescription drug plans assist seniors with reduced drug costs. Cost-sharing requirements for covered drugs in **Medicare Advantage** plans and **Part D** plans are different, making comparisons of out-of-pocket drug costs difficult. The average monthly premium for a **Part D** policy in 2024 is \$55.50, although plans

vary in price. The average monthly **Medicare Advantage** plan premium for 2024 is \$18.50 but may vary from \$0 to \$200 or more.

There are four phases of every drug plan. They are:

Annual Deductible Phase

Both kinds of drug insurance may charge an annual deductible amount up to \$545. That means you pay the deductible amount for your prescriptions before the next phase begins. Some plans waive the deductible or charge less than \$545.

Initial Coverage Phase

In this phase the insurance co-payments and/or coinsurance starts. How long you stay in the initial coverage period depends on your drug costs and your plan's benefit structure. In 2024, the initial coverage

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phase continues until you and the insurance company have together spent a total of \$5,030 on drug costs.

Coverage Gap and Catastrophic Phases

In the Coverage Gap you pay 25% of the cost of the drugs and the insurance company pays 75%. Once your total out-of-pocket drug costs have reached \$8,000, then you no longer pay the 25% and your prescriptions are covered 100% by the insurance plan. This is the Catastrophic phase. Note that the \$8,000 is totally paid by you.

Extra Help is a federal program that helps people with limited income and resources lower or cut their Part D prescription costs. It is also known as the **Low Income Subsidy (LIS)**.

If you are a lower income Medicare recipient, you may be eligible for **Extra Help**. If your monthly income is up to \$1,843 for singles or \$2,485 for married couples, and your assets/resources are less than \$17,010 for singles or \$33,950 for married couples you may be eligible for **Extra Help**. Note that not all your assets qualify for the assets/resources test, such as your home and one car. If you are on Medicaid, Supplemental Security Income (SSI) or the Medicare Savings Program (MSP) you automatically qualify for **Extra Help**.

The **Extra Help** program provides the following:

- free Part D premiums
- lower cost for drugs
- elimination of any Part D late enrollment penalty you may have incurred if you delayed Part D enrollment
- special enrollment periods once per calendar quarter during the first nine months of the year to enroll in a Part D plan or to switch plans.

For additional information, contact the New Mexico **Ageing and Disability Resource Center (ADRC)** at **1-800-432-2080** and ask to speak to an Options Counselor or a **State Health Insurance Assistance Program (SHIP)** volunteer. You can also chat with a counselor at www.nmaging.state.nm.us

Stan,

Volunteer Counselor, SHIP and SMP

Free Tax Assistance

If you are 50 or older and are low-to-moderate income, you may be able to get free tax help from the AARP Foundation Tax-Aide program. To find a location near you, go to aarp.org/taxhelp and click on 'GET STARTED' then 'Locate Sites Near Me'.



SHIP

State Health Insurance
Assistance Program

NEW MEXICO
ADRC
AGING & DISABILITY
RESOURCE CENTER

New Mexico
SMP
Empowering Seniors To
Prevent Healthcare Fraud
Senior Medicare Patrol