

## Medicare Prescription Drug Coverage Frequently Asked Questions for PAAD Beneficiaries

What is Medicare Part D?

Part D refers to the federal outpatient prescription drug benefit offered by Medicare that began January 2006. This benefit was established by the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003.

As a PAAD participant, will I have to pay a premium or other costs for Medicare Part D?

As long as you choose a basic Medicare prescription drug plan that is at or below the benchmark premium amount in New Jersey (for 2011, the benchmark premium equals \$35.74), you will not have to pay the premium for that plan. NOTE: You may choose to enroll in a Medicare prescription drug plan that is not basic or is above the annual Medicare Part D benchmark premium in New Jersey – however, you will be responsible for paying the entire monthly premium for that Medicare prescription drug plan.

The federal Medicare Part D program and PAAD will pay any costs above your PAAD copayment of \$5 for each covered generic drug or \$7 for each covered brand name drug. PAAD participants may pay less for generic drugs if their Medicare prescription drug plan charges them less than the \$5 PAAD co-payment for generic drugs.

Do I qualify for a federal subsidy to help pay for Medicare Part D?

If you are a PAAD participant with Medicare and you have limited income and resources, you may qualify for a subsidy from the federal government to help pay for Medicare Part D costs. If you qualify for a Medicare Part D subsidy, you MUST apply for it. As a PAAD participant, the PAAD program will help you apply for a Part D subsidy from the federal government.

If you are PAAD participant who also receives SLMB (Specified Low-Income Medicare Beneficiary) or QI-1 (Qualified Individual) benefits, you will be automatically considered eligible by the federal government for a subsidy to help pay for Medicare Part D. You do not have to apply for a Medicare Part D subsidy. The federal Medicare program will contact you to notify you that you qualify for a subsidy.

NOTE: If you are a PAAD participant and you do not qualify for a Medicare Part D subsidy from the federal government, your PAAD benefits are still available. However, you must still be enrolled in a Medicare prescription drug plan in New Jersey in order to use your PAAD benefits.

Has New Jersey 's PAAD program been discontinued?

New Jersey's PAAD program has not been discontinued. The State of New Jersey continues to offer state-funded pharmacy benefits under the PAAD program. PAAD participants eligible to enroll in Medicare Part D must do so – the federal government is the primary payer of prescription drugs for them, and PAAD pays all other costs in excess of the \$5 per prescription

co-payment for PAAD covered generic drugs or \$7 per prescription co-payment for PAAD covered brand name drugs. All PAAD participants pay no more than the \$5 or \$7 per covered generic or brand name prescription, respectively. NOTE: PAAD will pay the premiums only for those *basic* Medicare prescription drug plans that are at or below the annual Medicare Part D benchmark premium in New Jersey.

As a PAAD participant, who can help me choose a Medicare prescription drug plan?

The PAAD program can assist PAAD participants and people who are applying to the program in choosing a Medicare prescription drug plan in New Jersey for which PAAD will pay the premium and that meets a person's particular drug needs. Contact the PAAD Hotline at 1-800-792-9745 for assistance.

As a PAAD participant, will all my prescription drugs be covered in the Medicare prescription drug plan I choose?

Your selected Medicare drug plan will cover medically necessary prescription drugs under Medicare Part D. Medicare and/or PAAD will pay any costs above your PAAD co-payment of \$5 for generic drugs or \$7 for brand name drugs. However, if a Medicare Part D plan does not pay for a medication because the drug is not on its formulary, PAAD beneficiaries will have to switch to a drug on their Part D plan's formulary, or their doctor will have to request an exception due to medical necessity directly to their Part D plan.

How do I know if I am eligible for a subsidy from the federal government to help pay for Medicare Part D?

The PAAD program notifies current PAAD participants, and those who are applying to PAAD, if they are likely to be eligible for federal subsidy for Medicare Part D. If you appear to be eligible for a Medicare Part D subsidy, the PAAD program will help you apply for it by collecting certain information from you. PAAD will forward the information to the federal Social Security Administration so that it can determine your eligibility for a Medicare Part D subsidy.

NOTE: If you do not qualify for a Medicare Part D subsidy from the federal government, you won't be disqualified from using PAAD benefits. You must, however, still enroll in a plan that offers the Medicare prescription drug coverage in New Jersey in order to use PAAD benefits.

When I give information to PAAD to determine my eligibility for a subsidy offered by the federal government to pay for Medicare Part D, why do I have to answer questions about my property and other assets? Is this going to affect my PAAD eligibility?

The subsidy that the federal government offers to help pay for Medicare Part D is based on assets, such as real estate, stocks, savings, and other property, as well as income. This information will be used only to determine your eligibility for a subsidy under Medicare Part D and other federal programs. The asset information is *not* used to determine your eligibility for the PAAD program.

I am applying to PAAD for the first time. How will I get information about the Medicare Part D plans for which PAAD will pay the premiums?

You will be asked to send the PAAD program a list of the current prescriptions you take and the name and location of the pharmacy you prefer using. Once PAAD receives that information, PAAD will contact you to discuss which basic, at or below benchmark premium Medicare prescription drug plans in New Jersey meet your specific drug needs and for which the PAAD program will pay the premium.

If you choose a Medicare prescription drug plan for which PAAD is not paying the premium, you will have to pay the entire amount of the premium yourself. PAAD, however, will pay for all your other out-of-pocket costs (like deductibles and co-insurance) that you may have in that Medicare prescription drug plan.

How will things work at the pharmacy?

PAAD participants present their Medicare prescription drug plan membership card and their PAAD card at the pharmacy. All PAAD participants pay no more than \$5 per PAAD covered generic drug or \$7 per PAAD covered brand name drug.

How many pills am I allowed per covered prescription?

If you are a PAAD participant who is enrolled in a Medicare prescription drug plan or other private insurance plan with prescription coverage, that Medicare or private insurance plan will specify the day supply of medication permitted per covered prescription.

I have creditable coverage through my former employer or union, which has told me to not enroll in a Medicare prescription drug plan. If I do, I will lose the prescription coverage, and perhaps even the entire medical coverage, for my dependents and me that I have through my former employer/union. Can I still keep my PAAD benefits or still join the PAAD program if I'm eligible?

Yes. While it's true PAAD participants must enroll in Medicare Part D if they are eligible in order to use PAAD benefits, PAAD will not require you to enroll in a Medicare prescription drug plan if your former employer or union has sent you a creditable coverage notice and told you not to enroll in Medicare Part D. You will still be able to use PAAD benefits if you qualify for them. You must submit the creditable coverage documentation to PAAD from your former employer or union that states you should not enroll in Medicare Part D. PAAD will verify this information and will not require you to enroll in Medicare Part D as a condition to using PAAD benefits.

As a PAAD participant, can I use my Medicare prescription drug plan benefits outside New Jersey?

Some Medicare prescription drug plans are national plans, meaning they can be used anywhere in the United States. You would need to check with your specific Medicare prescription drug plan to determine if you can use its benefits outside New Jersey and what your co-payment responsibility would be outside New Jersey. PAAD benefits are not valid outside New Jersey!

Who is eligible for PAAD benefits?

PAAD benefits are available if you are a New Jersey resident; you are at least 65 years of age, OR at least 18 years of age and receiving Social Security Disability benefits; and your annual income for 2011 is less than \$24,432 if single or less than \$29,956 if married.

[Click here](#) for further information about the PAAD program specifically.

How long will processing my initial PAAD application take?

Once a completed PAAD application is received, it should take about 30 days to process it. A completed application consists of all information necessary to:

(1) determine your eligibility for PAAD benefits;

(2) determine your eligibility, if qualified, for a federal subsidy to help pay for Medicare Part D; and

(3) enroll you in a Medicare prescription drug plan if you are eligible and have not already enrolled.

If you are on Medicare and have not yet enrolled in a Medicare prescription drug plan, you will be asked to send PAAD a list of your current prescriptions and the pharmacy you prefer using. Once PAAD receives this information, PAAD will contact you to enroll you in a Medicare drug plan in New Jersey for which PAAD will pay the premium and that meets your particular prescription drug needs.

[Click here](#) for further information about the PAAD program specifically.

Where can I turn if I have more questions about PAAD and Medicare Part D?

If you need more information, call New Jersey's toll-free PAAD Hotline 1-800-792-9745.

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P. O. Box 360, Trenton, NJ 08625-0360  
Phone: (609) 292-7837  
Toll-free in NJ: 1-800-367-6543  
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