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ELDER LAW MINUTE

Medicare, the national health insurance program for elderly and disabled people, began offering prescription drug coverage in 2006. In order to receive assistance with the cost of medications, participants must enroll in a Medicare prescription drug plan between November 15, and December 31 each year. The cost of this coverage will be about \$28 per month in 2009. In most cases, after the Medicare beneficiary pays the first \$250 per year for covered pharmaceuticals Medicare pays 75 percent of the cost of the next \$2,000 of drugs. Medicare stops paying anything at this point (the donut period) until the beneficiary has paid \$3,600 out-of-pocket. Medicare then pays 95 percent of the cost of drugs over \$5,100.

Medicare Beneficiaries who earn less than \$10,400 per year (\$14,000 for a married couple) or who are also on Medicaid will not have to pay any premiums or deductibles and copayments of only \$1.00 to \$3.10. Single beneficiaries with incomes below \$14,040 or married couples with incomes below \$18,900 and resources below \$7,620 (\$12,190 for a married couple), should be eligible to have their premiums waived. Their deductible will be \$53 per year and they could pay as little as \$2.15 to \$5.35 copayments.

Beneficiaries with incomes between \$14,040 and \$15,600 (\$18,900 and \$21,000 for married couples) and resources below \$11,710 (\$23,410 for a married couple), pay a sliding scale premium and have a \$53 deductible instead of the normal \$250. They will pay only a 15 percent copayment until they have paid \$3,600 out-of-pocket at which point they pay \$2.15 for generic drugs and \$5.35 for other drugs.

To apply for financial assistance with the premiums, deductibles and copayments, applicants should complete Social Security Form SSA-1020 which is available by calling (800) 772-1213 or you can apply online at www.socialsecurity.gov. To obtain assistance in selecting a Part D Drug Plan call Georgia Cares at (800) 669-8387.

Information contained in this newsletter is general in nature and not intended as legal advice. Legal advice should be obtained before action is taken based upon this information. Receiving this Elder Law Minute newsletter does not create an attorney-client relationship.