

## Frequently Asked Questions about Dual Eligibles: Understanding what happens when a person with IDD who receives Medicaid becomes eligible for Medicare

### Dual Eligibles and Prescription Medication

1. **Q: What types of prescription drug coverage are available for dual eligibles?**

**A:**

- **Medicare Part D - Stand-Alone Prescription Drug Plan (PDP)** - offered by insurance companies under contract with Medicare. Only covers prescription drugs. Each PDP has its own drug formulary (list of covered drugs). There may be small co-pays for each drug. The list of Medicare stand-alone prescription drug plans may change each year. Contact the NJ State Health Insurance Assistance Program (SHIP) at 1-800-792-8820 for a current list, or [visit their website](#).
- **Dual Eligible Special Needs Plan (D-SNP)** – See the separate fact sheet on D-SNPs for information on these Medicare managed care plans. Prescription drugs are covered in accordance with the specific D-SNP formulary. There are no medication co-pays for drugs that are on the D-SNP formulary.
- **Medicare Advantage Health Plans with prescription drug coverage (MA-PDs)** - offered by insurance companies under contract with Medicare and structured as HMOs or PPOs with network of providers. Benefits include health services and prescription drugs. Each MA-PD has its own formulary. There may be small co-pays for each drug depending on consumer's level of Extra Help. See the separate fact sheet on D-SNPs for further information that compares Medicare Advantage plans and D-SNPs.
- **Creditable Coverage Drug plan, through employer, retiree or union health insurance plan.** The private insurance drug coverage must be "at least as good as or better than" a basic Medicare Part D plan. If receiving prescription drugs through private health insurance, the dual eligible or caregiver needs to "opt out" of the Part D drug plan by calling 1-800-Medicare. The consumer is still eligible for Medicaid to assist with the private plan's drug copays.

2. **Q: How does Medicaid coordinate with Medicare Part D prescription drug coverage?**

**A:**

- When a person who has Medicaid starts to receive Medicare also (becoming a dual eligible), enrollment into Part D (the drug benefit) is **mandatory**. Dual eligibles will automatically be randomly enrolled into a benchmark, **Stand-Alone Prescription Drug Plan (PDP)**.
- A "benchmark" Part D plan is one that has "basic" benefits (not enhanced), and has a premium amount below the "benchmark" level set by Medicare each year. **Dual eligibles who enroll in benchmark plans pay \$0 monthly premium.**

- Dual eligibles may choose to enroll in a non-benchmark Part D plan. However, they would pay a monthly premium fee for a non-benchmark drug plan. There is a subsidized premium for a dual eligible enrolling in a non-benchmark drug plan.
- Dual eligibles may choose non-benchmark drug plans to access a plan with better formularies for their specific prescription drug needs.
- Dual eligibles do not have any Part D deductible costs.
- Dual eligibles are required to pay a small copay at the pharmacy for each prescription drug. However, if the dual eligible with IDD is on the DDD Community Care Program (CCP), Medicaid Managed Long-Term Services and Supports (MLTSS) waiver, or enrolled in a D-SNP then there is no prescription drug copay.
- **There is an exception to the requirement for dual eligibles to access prescription drugs from Medicare Part D:** If individuals have creditable drug coverage from a private health insurance plan, they need to “opt-out” of Medicare Part D. “Creditable” drug coverage is other health insurance that is as good as or better than Medicare Part D. (Note: Having Medicaid is **not** viewed as having “creditable” drug coverage.) When dual eligibles with IDD have creditable drug coverage from a private health insurance plan, then Medicaid pays the drug co-pay.
- The Medicaid MCO might cover a portion or all of the costs for some Part D excluded drugs.

### 3. Q: What to do if a prescription drug is not covered by the individual’s Medicare Part D drug plan?

A:

**These are the possible options:**

- Ask the drug plan if there is a similar drug on the drug formulary. If yes, ask the prescriber if the individual can switch to the other drug.
- If the doctor does not want the individual to switch drugs, ask the doctor to request an exception, to have the drug covered by the Part D plan. **If the drug plan denies the request for an exception, that decision can be appealed.**
- You may contact **NJ SHIP** at **1-800-792-8820**, or **Medicare** at **1-800-Medicare**, to find out if there is another Part D plan that will cover the drug. If yes, the dual eligible can change to another Part D plan that will cover the drug with assistance from the Medicare helpline or NJSHIP. There is no Medicare drug plan “lock-in” for dual eligibles, as there is for people who do not have both Medicare and Medicaid. **Dual eligibles can also now change their drug plan every month.** When there is a request to switch to another Part D drug plan, the effective date of the switch is the first day of the next month. If a problem occurs in switching to another Medicare Part D plan, please contact NJ SHIP for assistance.

# Health Care Advocacy Program

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## 4. Q: What are drug coverage restrictions?

A:

Drug coverage restrictions vary by plan. Plans may have these rules for covering certain drugs.

- **Quantity Limits** - Limits the number of pills the individual can get at a time.
- **Prior Authorization** - Requires approval from the plan before the individual can get the drug.
- **Step Therapy** - Requires the individual to try a less expensive drug first, before using a more expensive drug.
- **Quantity Limits and Step Therapy restrictions can be appealed.** The prescribing doctor will need to contact the Part D plan to request an exception based on the individual's medical needs.

For additional information visit The Arc of New Jersey Health Care Advocacy Program:

[www.thearcnjhealthcareadvocacy.org](http://www.thearcnjhealthcareadvocacy.org)

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