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How Medicare Prescription Drug Coverage Works with a Medicare Advantage Plan or Medicare Cost Plan

Medicare offers prescription drug coverage for everyone with Medicare. This coverage is called “Part D.” There are 2 ways to get Medicare prescription drug coverage:

1. Join a Medicare Prescription Drug Plan (PDP). These plans add coverage to Original Medicare, and can be **added** to one of these:
 - A Medicare Savings Account (MSA) Plan.
 - A Medicare Private Fee-for-Service (PFFS) Plan, if it doesn’t offer Medicare prescription drug coverage.
 - A Medicare Cost Plan if it doesn’t offer Medicare prescription drug coverage, or if it does offer Medicare prescription drug coverage but the enrollee doesn’t elect the drug coverage.
2. Join a Medicare Advantage Plan—like a Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Private Fee-for-Service (PFFS) Plan or Special Needs Plan (SNP)—or another Medicare health plan (like a Medicare Cost Plan) that **includes** prescription drug coverage. Medicare Advantage plans that include prescription drug coverage are sometimes called “MA-PDs.” **You’ll get all of your Medicare coverage including Medicare Part A (Hospital Insurance), Medicare Part B (Medical Insurance), and Medicare Part D (prescription drug coverage), through these plans.**

Medicare drug plans are run by insurance companies and other private companies approved by Medicare. Each plan can vary in cost and drugs covered. If you decide not to join a Medicare drug plan when you’re first eligible, you may pay a late enrollment penalty if you choose to join later.

Drug coverage when you have a Medicare Advantage Plan

If you join a Medicare Advantage Plan, the type of drug coverage you can get depends on the type of Medicare Advantage Plan you have:

- **Medicare PPO Plans**—You may get services from providers outside the plan network, but you typically pay less when using plan network providers. PPOs usually offer Medicare prescription drug coverage, but they're not required to offer it. If the PPO doesn't offer Medicare prescription drug coverage, you're not permitted to get coverage by joining a separate Medicare Prescription Drug Plan (PDP).
- **Medicare HMO Plans**—You must use network providers for non-emergency care. HMOs usually offer Medicare prescription drug coverage, but they're not required to offer it. If the HMO doesn't offer Medicare prescription drug coverage, you're not permitted to get coverage by joining a separate Medicare Prescription Drug Plan (PDP).
- **Medicare PFFS Plans**—You can go to any provider in the U.S. who's state licensed, is authorized to provide services under Medicare Part A and Part B, accepts the plan's terms and conditions of payment, and agrees to treat you. However, if your plan has a network of contracted providers, you will typically pay less if you go to a contracted provider. If your plan has a network of contracted providers, you may go to any contracted provider. PFFS plans may or may not offer Medicare prescription drug coverage. If they don't offer it, you can still get coverage by joining a separate Medicare Prescription Drug Plan (PDP).
- **Medicare MSA Plans**—Money is placed in an account to use for health care before meeting the deductible in a high-deductible plan. After the deductible is met, your plan covers services and you're responsible for cost-sharing. MSA plans don't offer Medicare prescription drug coverage. However, you can get drug coverage by joining a separate Medicare Prescription Drug Plan (PDP).
- **Medicare SNP Plans**—You can only enroll in a SNP if you're a member of the "special needs" population that the plan serves. SNPs are required to offer Medicare prescription drug coverage.

Drug coverage when you have a Medicare Cost Plan

Your Medicare Cost Plan may or may not offer Medicare prescription drug coverage. Even if it does offer Medicare prescription drug coverage, you can choose not to accept the cost plan's drug coverage and join a separate Medicare Prescription Drug Plan (PDP).

What else do I need to know?

If you have prescription drug coverage from a Medicare health plan:

- Your benefits may change each year.
- The plan will send you an “Evidence of Coverage” each year. This document tells you what benefits the plan will cover, how much you’ll pay, how to file an appeal, and more.
- The plan will also send you an “Annual Notice of Change” each fall. This notice has information about any changes in benefits, costs, or service area that will be effective January of the next year. If the plan covers prescription drugs, the notice will include changes to the formulary of drugs the plan will offer next year. You should review this notice carefully to learn about changes for the upcoming year to decide if you want to look at other plans in your area.

Other important information

- You can look at other Medicare coverage choices, like returning to Original Medicare and adding prescription drug coverage.
- Everyone with Medicare has a chance to join, switch, or drop plans from October 15–December 7 each year. Your coverage will start January 1 of the next year.
- If you have limited income and resources, you may qualify for Extra Help paying your Medicare prescription drug costs. For more information on who can get Extra Help and how to apply, visit [socialsecurity.gov](https://www.socialsecurity.gov) or call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.

How can I get more information?

For more information about your coverage choices, you can:

- Contact your plan.
- Visit [Medicare.gov/find-a-plan](https://www.Medicare.gov/find-a-plan) to find and compare plans in your area.
- Call 1-800-MEDICARE (1-800-633-4227) to get information about the Medicare plans available in your area. TTY users can call 1-877-486-2048.
- Look at your “Medicare & You” handbook to compare plans in your area.

You have the right to get Medicare information in an accessible format, like large print, Braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [CMS.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html](https://www.cms.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

