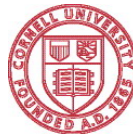


# CASE STUDIES IN PART D

Volume 3 Number 4



Cornell University  
College of Human Ecology  
Cornell Cooperative Extension

## CUR<sub>x</sub>ED

### Cornell University Resource Education for Medicare Part D

#### MOVIN' ON

##### THE CASE

DL is a recently widowed 78 year old who lives in New York State. She has a tendency to worry about things. Recently, DL, unfortunately, has been spending an inordinate amount of idle time reflecting on life, and most recently, how she would like to spend her time now that she is alone. She is living comfortably in her retirement but does have limited resources, so she must make wise choices.

Now that she is living by herself, DL is contemplating moving to Georgia where the weather is warmer and she can be closer to her son and his family. DL has a stand alone Medicare Part D prescription plan but it is not one of the plans that are offered in all regions of the country. Its coverage area is generally limited to a few regions in the northeast.

Because she is aware that there is only one opportunity to change Part D plans each year, which is during the annual open enrollment period, DL expressed concern about being able to maintain her Part D coverage if she moves. She worried that she would need to maintain a long distance relationship with a Pharmacy in New York in order to maintain her coverage. She had looked into utilizing mail order to obtain her medications but her plan did not offer that option. DL even considered not moving permanently until the end of the year, and maintaining two residences during that time.

After much consternation, DL sought the advice of a counselor. The counselor correctly indicated to DL that relocation is a valid reason to be allowed a Special Enrollment Period (SEP). She is assured that with her move, she will have the opportunity to select a new prescription drug plan.

Now, DL returns to the counselor with concerns about the costs of a new plan. Already this year, she has had several prescriptions filled. Having the standard deductible in her coverage, she has paid the full price for her medications thus far. She is now just shy of reaching the initial coverage zone where she will be responsible for paying 25% of the cost of her medications.

With a new plan, DL is concerned that she will again need to fulfill the requirement of meeting the initial deductible. This would mean again paying full price for her prescriptions for the entire deductible amount before realizing the 75% benefit. She feels that her new coverage should allow for the costs which she has already incurred for the year.

\*\*\*\*\*  
**WHAT WOULD YOU DO?**  
-----

##### Part D Trivia Question

What effect does prescription drug coverage have on the cost of other medical services?

Having drug coverage:

- A. increases the cost of inpatient services
- B. increases the cost of physician services
- C. decreases the cost of inpatient services
- D. decreases the cost of physician services

## THE STUDY

In certain situations, individuals may be eligible for a Part D Special Enrollment Period to join a plan or to switch to a new plan. SEP's are enrollment periods which occur outside of the Annual Enrollment Period. Currently there are more than two dozen different situations which can define an SEP.

For a change in residence, a special enrollment period is allowed under the following scenarios:

- if an individual is no longer eligible to be enrolled in a plan due to permanent relocation outside of the plan's service area;
- if a person was not eligible for coverage because he or she had been living outside of the United States and now has moved back to the U.S.;
- if a person was ineligible for Part D due to incarceration and has been released;
- if an individual will have new plans available to them as a result of a permanent move.

If a person notifies the plan of a permanent move in advance, the SEP may begin the month prior to the move. If the beneficiary has already moved, the SEP begins the month that the beneficiary provides notice of the move. The SEP continues for two months after the month in which it began.

The effective date for enrollments associated with permanent moves may not be earlier than the date the person moves to the new service area or when the plan receives the new enrollment request. The beneficiary may choose an effective date up to three months after the month in which the plan receives the request.

Part D plans are required to track a beneficiary's out of pocket expenses and correctly apply these costs to calculate coverage thresholds. Out of pocket costs are calculated on an annual basis and must be transferred between plans if a beneficiary changes plans at any time during the plan year. CMS provides specific and detailed guidance to plans regarding the transfer of beneficiary out of pocket balances from one plan sponsor to another.

When switching from one plan to another, DL's costs associated with out of pocket expenses should be credited towards the deductible of her new plan. DL should not need to satisfy a new deductible for a new plan as long as it is within the same year. This process should automatically occur through the systems that have been put in place by CMS. To be sure, however, DL might want to submit proof of the expenses that she has paid already this year to her new plan.

### Part D Trivia Answer

In a recent study of low income residents from three states, looking at a limited number of chronic conditions, researchers found that prescription drug insurance coverage is associated with an **increase in the cost of physician services** but has no discernable effect on inpatient services.

[CURxED Home Page](#)  
[Comparing Part D Plans](#)

[Reports on Part D Policy Details](#)  
[CURxED Pocket Guide](#)

[About CURxED](#)  
[Anatomy of a Part D Plan](#)

**CURxED** Cornell University Resource Education for Medicare Part D

[www.CURxED.human.Cornell.edu/](http://www.CURxED.human.Cornell.edu/)

email: [CURxED@Cornell.edu](mailto:CURxED@Cornell.edu)

This material is based upon work supported by a grant from the Dean of the College of Human Ecology and Smith Lever funds from the Cooperative State Research, Education, and Extension Service, U.S. Department of Agriculture. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.