

CASE STUDIES IN PART D

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CU_RxED

**Cornell University Resource Education
for Medicare Part D
COLLEGE OF HUMAN ECOLOGY**

69% OFF SALE

THE CASE

KS lives in Oneonta, New York, has been retired for 2 years, and just celebrated her 65th birthday last month. Recently becoming eligible for Medicare, KS has enrolled in Parts A and B and is interested in selecting a Part D prescription insurance plan.

KS is a female who has hypertension, arthritis, and osteoporosis. She also occasionally has difficulty sleeping. KS has been taking the following medications to treat her conditions:

Cozaar 50mg	one tablet daily
Amlodipine 10mg	one tablet daily
Naproxen 375mg	one tablet twice a day
Actonel 35 mg	once per week
Ambien 10mg	one tablet at bedtime; she states she uses it about every other night

She has heard stories from her friends who have Part D plans that they have difficulties with the changing costs of medications at the pharmacy. She is worried that after paying a monthly premium for her Part D plan, meeting a deductible, and having to make a co-payment, that prescription drug insurance will not save her money. She has a good relationship with her Pharmacist, the same one that she has been going to for over 12 years. She reports that her medications are expensive but thinks that he gives her good deals to save her money.

At her local Pharmacy, KS reports that her prescription medications cost \$345 per month, or about \$4135 per year. She pays cash at each visit.

WHAT WOULD YOU DO?

Part D Trivia Question

The average monthly premium for a Part D policy in 2007 nationally is:

- A. \$9.50
- B. \$27.35
- C. \$34.45
- D. \$135.70

THE STUDY

Within her region, KS has 61 different stand alone Medicare Part D prescription drug plans to choose from. Each plan has slightly different coverage characteristics and there is a range of costs.

Using the Medicare Prescription Drug Plan Finder tool on the CMS web site, www.medicare.gov, calculations suggest that KS can reduce her prescription drug costs to as little as \$1574 and continue to go to her trusted Pharmacist.

KS can save even more money if she is willing to change pharmacies. If she goes to the preferred pharmacy of the selected plan, her annual prescription drug costs will be further reduced to \$1298.

KS must be careful, though, as different plans have varying costs. With her regimen, annual costs can be as high as \$3580, depending on the plan which she selects. While this still represents a savings over her current expenditures, it would not be her optimal choice.

The plan of choice for KS has a monthly premium of less than \$20 and provides basic coverage as defined by Part D legislation, including provisions for a deductible, a coverage gap, and catastrophic coverage. KS's monthly costs will vary but by choosing an optimal Part D plan, her total annual cost will be reduced by \$2837, a 69% savings!

ANNUAL PRESCRIPTION COSTS FOR KS

Retail cost of prescriptions	\$4135
Most expensive Part D plan	\$3580
Part D plan at usual Pharmacy	\$1574
Part D plan at preferred Pharmacy	\$1298
Maximum potential savings	\$2837

Part D Trivia Answer

The national **average monthly premium** for a Part D policy in 2007 is **\$27.35**. The least expensive premium is \$9.50, offered by the HIP Standard Part D plan in New York and the most expensive premium is \$135.70, offered by the Sierra Rx plan in New Jersey.

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