

A STEP AHEAD

Medicare[®] Prescription Drug Coverage ^X

NEW PRESCRIPTION DRUG COVERAGE - MEDICARE PART D

The most significant change afforded by the Medicare Prescription Drug Improvement and Modernization Act of 2003 is that, beginning in 2006, Medicare will, for the first time, offer insurance coverage for prescription drugs - Medicare Part D. Like other forms of insurance, if you join you will pay a premium and a share of the cost of your prescription drugs. The cost of the drugs you buy will vary depending on the plan you chose. Insurance companies and other private companies will work with Medicare to offer plans and negotiate prices on drugs.

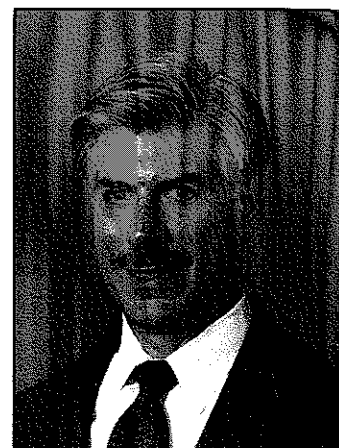
The plans will vary depending on the drugs that are covered,

their prices, and the pharmacies that participate. Coverage will be afforded for brand name as well as generic drugs. Each plan will have to meet certain minimum requirements set by Medicare, but certain plans will offer greater coverage for a higher premium. Medicare beneficiaries will have the option of choosing from among plans that offer drug coverage only and plans that also offer benefits for hospitals, doctors and other health services - all-inclusive managed care plans called Medicare Advantage Plans.

The new drug plans will generally have premiums averaging \$35 per month per

person (\$420 per year) and a \$250 deductible, meaning that you pay the first \$250 of the cost of your prescription drugs out of your pocket. After the deductible has been met, Medicare will pay 75% of the cost of prescription drugs up to \$2,250, you pay the rest, called a "co-payment." For prescription costs beyond \$2,250, you pay 100% until you have spent a total of \$3,600 - or until your total prescription costs reach \$5,100. This is commonly referred to as the "donut hole." After that, Medicare will pay 95% of any additional costs. The process begins again each year. An online "calculator" that will

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help you figure out what you are likely to save is offered by the Kaiser Family Foundation at www.kff.org/medicare/rxdrugscalculator.com.

More assistance will be available for people with low incomes and limited assets. The test relative to assets will be the same one utilized for the Supplemental Security Income program. In 2006, no premium payments or deductibles will be required for people who are on Medicare, have limited assets and have a yearly income of below \$12,920 (\$17,321 for couples). They will experience no gap in coverage and copayments for drugs will be limited to \$5 for brand names and \$2 generics. Reduced premiums, deductibles and co-payments are also available if your income is below \$14,355 (\$19,245 for couples). Such persons will pay a deductible of only \$50, benefit from a sliding scale of premium subsidies, and also experience no gap in coverage. Their copayment will be limited to 15%.

Medicare will be sending information to all recipients this fall. If you have Medicare benefits now you can enroll in the new program between November 15, 2005 and May 15, 2006. Those who enroll before December 31, 2005 will be eligible for benefits beginning on January 1, 2006. Benefits for those who join after that will commence on the first of the month following the

month in which they join. If you become eligible for Medicare after January 1, 2006, you can enroll in a prescription drug plan when you sign up for Medicare. If you currently have Medicare but get your medications through Medicaid, you will also

"If you have Medicare benefits now you can enroll in the new program between November 15, 2005 and May 15, 2006."

be asked to sign up for the new program. If you don't select a plan, one will be chosen for you.

This new benefit requires every Medicare recipient to make a decision, although no one is required to participate. If you have no prescription drug coverage now and you do not sign up for Part D during the initial enrollment period, it is likely that you will pay higher premiums when you do enroll. Even if you already have a policy that provides drug coverage (through a retiree plan, a spouse's plan, a union or other program) while you may elect to keep that coverage, unless that plan affords coverage that is equal to or better than the Medicare drug program, you will also pay more if you later enroll in Medicare Part D. It will be very important to make sure that any drug plan that you have covers as much

or more than the Medicare plan. Currently Medicare anticipates charging a 1% penalty on the premium for every month that you delay in enrolling, unless you have equal or better prescription drug coverage elsewhere. Thus, for instance, if you were to wait five years, your premiums would be 60% higher, \$672 per year instead of \$420, for the rest of your life.

If you have a medigap policy (a private health insurance policy that fills the gaps in Medicare coverage), one which provides prescription benefits that are as good or better than the Medicare plan, you will have the option of retaining that coverage instead of joining Part D, but no new medigap policies with prescription drug coverage will be sold after January 1, 2006. If you join Part D, your medigap policy will not be renewed with drug



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IN CASE OF EMERGENCIES - ICE

Sometimes accidents or other emergencies happen. Fast action is critical. All too often, emergency service personnel have no way of knowing whom to contact - until now. By entering the acronym ICE - In Case of Emergency - into your cell phone address book, you can make your emergency contact easily available. This concept was first conceived by a paramedic in England who realized that, while most people today carry cell phones few, if any, have emergency information available in a readily accessible format.

Setting up your ICE contact is really simple. Type the acronym ICE into your contact book and follow it with the name of the person who should be notified if you need emergency help and can't speak for yourself - for example ICE husband, ICE wife, ICE mom or ICE dad. The person you have named as your agent in your health care proxy is an ideal person to name as your ICE contact. Entering the phone number

followed by an asterisk (*) at the end will prevent Caller ID from renaming this contact just ICE.

To be most effective, remember to let your ICE contact know that he or she has been identified and ask them if they agree to serve in this regard. Make sure that your ICE contact has vital information

"GET ICed"

about you, such as a list of the medications you are taking and those to which you are allergic. Another thing to consider is the telephone number to include for your ICE contact. Your contact may be at home or at work at the time of the emergency. Perhaps a cell phone number may be a better choice.

In addition to programming your ICE contact into your cell phone, you should carry other emergency information in your wallet, purse or bag so that it is always with you. The vital information includes: your identity (name and address),

medical conditions, medications, next of kin or a list of people who should be contacted on your behalf (this may include a family member, employer, neighbor, primary care physician) and any other information that would be important to emergency responders.

Help all of the members of your family enter ICE contact information into their cell phones. If you have a family member that is less than eighteen (18) years of age, be sure that he or she names a parent or guardian as their ICE contact.

By entering an ICE contact into your cell phone, you will help rescue services personnel quickly contact a friend or relative - which could be vital in a life or death situation. Before reading any further, or becoming involved in a new project, find your cell phone NOW and GET ICed



Medicare *(Continued from page 1)*
coverage. Medicare promises that it will answer questions concerning whether your plan is as good as the Medicare plan beginning in October. Call 1-800-633-4227 or go to the Medicare website at www.medicare.gov. You may also get a notice from your existing plan.

Other information concerning

Medicare reform is available at:
www.medicareadvocacy.org
www.medicare.gov/medicarereform
www.aarp.org/prescriptiondrugs

Other Medicare Reform

Medicare now also offers other new benefits. A one-time initial wellness physical examination is afforded within 6 months

of the day you first enroll in Medicare Part B. Medicare will now pay for all recipients to have certain blood tests to detect cardiovascular disease and covers diabetes screening for those at risk. Other preventative services include cancer screenings, bone mass measurements and vaccination.

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RECENT DOINGS

Berwitz & DiTata LLP would like our clients and friends to know of our activities. Recently, Larry was on the faculty of a day-long program, sponsored by the New York State Bar Association, to offer continuing education for attorneys. The program featured topics concerning estate planning and elder law. Larry spoke to an audience comprised of over 200 attorneys on the topic of Advanced Drafting of Trusts and Wills.

Maureen has been honored by her induction into the Mineola/Garden City Chapter of Rotary. Rotary an international service

organization devoted to the encouragement of the highest ethical standards in business and the professions and the fellowship of persons united in the ideal of serving the community good



Larry has been appointed vice chairperson of the Elder Law Committee of the Nassau County Bar Association. In addition to monthly meetings, the Committee sponsors

continuing education programs for attorneys. Larry will be speaking at the next continuing education program which is scheduled for November.

Business LI, a magazine devoted to Long Island life and business, and to issues affecting all of us on Long Island, published the second of our articles entitled, "Estate Planning for Businesses" in its August 2005 edition. If you have not had an opportunity to read the article please visit our website or call the office and ask for a copy.

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