

**Q. Is the state starting another elderly prescription program?**

**A.** "Yes. Starting April 1, 2001, Massachusetts is going to launch a new prescription drug program for the elderly and disabled. It will be called the "Prescription Advantage Plan." Two existing state prescription programs will be phased out, but people who enrolled in the old plans will be transferred into the new Advantage Plan.

There are real "advantages" to this new plan. First, the Advantage Plan is a form of insurance. It will be available to ALL people age 65 plus, regardless of their income, as well as to disabled individuals who meet financial eligibility. Second, there is no dollar limit on coverage under the plan. Third, there is a cap on how much you have to spend out of your own pocket.

The Advantage plan will have three sources of revenue to keep it going: 1) premiums and deductibles charged to enrollees, 2) CO-pays for drugs when you pick up your meds, and 3) state funds to help keep the cost of premiums as low as feasible.

This is called a "subsidized insurance" plan because the Commonwealth is picking up the lion's share of the bill for this program. State money is being used to pay for the cost of monthly premiums and deductibles for lower income people - in this case, people whose household income is around \$16,000 a year or less. These people will have no premium or annual deductibles. But middle class and upper income people will be encouraged to join the Advantage Plan as well, and their monthly premium will not be higher than \$82 in the first year. Similarly, the most anyone will pay for a deductible will be \$500 a year.

Another helpful feature of the plan is the \$2,000 limit on out of pocket expenses, or a cap of 10% of your household's annual income. If your annual household income is \$17,000 a year, you will not have to pay more than \$1,700 a year in drug costs. Premiums are not counted towards your out of pocket expenses.

Some middle income seniors with low drug expenses might not choose to enroll. But anyone with a monthly average of \$124 or more of drug bills should see some financial advantage to enrolling. Because insurance depends on a large number of people being willing to put their premiums into the risk pool, the Executive Office of Elder Affairs, which will oversee the program, is considering a financial penalty for people who wait to join more than one year beyond their 65th birthday.

All enrollees will make CO-payments for drugs. The CO-pays will be higher for people whose household income is over 200% of the Federal Poverty Level, around \$16,700 this year. Under the Advantage Plan, when you get a generic drug, you will make a \$5 CO-pay if your income is limited, or \$10 if your income is higher. A brand name drug will be classified as either preferred or

non-preferred. A preferred brand name drug will cost \$12 or \$25 for a prescription, depending on your income, while a non-preferred brand drug will cost \$25 or 50% of the retail price, which is greater. If you have any questions about the new Prescription Advantage Plan, or how the new and old programs fit together, call 1-800-AGEINFO.

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