

2007 Medicare Open Enrollment Period:  
Things to Consider  
*Complied by the Committee on Ways and Means*

**Open enrollment period.** From November 15<sup>th</sup> until December 31<sup>st</sup>, Medicare beneficiaries can enroll in a new prescription drug or Medicare Advantage plan. Beneficiaries in every state must choose from more than 50 plans that vary in terms of monthly premiums, co-pays and restrictions on coverage of prescription drugs.

**Beneficiaries should seek independent assistance to choose from the numerous Medicare plan options.** Beneficiaries should call 1-800-Medicare (1-800-633-4227) or call their State Health Insurance Assistance Program for free personalized health insurance counseling. See the “Medicare & You” handbook or call the 1-800-Medicare for the telephone number in your state. TTY users should call 1-877-486-2048. People who use the Internet can also search for plans at [www.medicare.gov](http://www.medicare.gov).

**Many of the Medicare beneficiaries who are eligible for the low-income subsidies (LIS) have not enrolled.** Medicare beneficiaries who earn less than \$15,315 annually if single (or \$20,535 for a couple)\* may be eligible for additional assistance from Medicare for prescription drug costs. These beneficiaries should apply for the low-income subsidy at <https://s044a90.ssa.gov/apps6z/i1020/main.html>, call 1-800- MEDICARE or visit their local Social Security Office or Medicaid office.

**Premiums Are Rising.** The average beneficiary will pay 21% more in premiums if they remain with their current plan.<sup>1</sup> Premiums are increasing for three-fourths of Medicare beneficiaries in drug-only plans if they do not switch plans. The average increase is \$4.60 per month, and one in five beneficiaries will pay \$10 or more a month if they do not switch plans.<sup>2</sup>

**Some low-premium plans have higher total out-of-pocket costs.** Beneficiaries should look closely and *both* the monthly premium and the cost-sharing for needed drugs before choosing a plan. Some of the lowest premium plans have increased the co-pays for drugs. In fact, a recent study from Consumers Union found that some plans decreased their premiums from last year but increased co-pays for the five most commonly used drugs. Beneficiaries and others can use the Medicare website ([www.Medicare.gov](http://www.Medicare.gov)) to check overall drug costs.

**Almost 2 million low-income subsidy beneficiaries must transition to new plans before December 31<sup>st</sup> in order to avoid paying higher premiums.** CMS has sent beneficiaries a TAN letter if they must choose a plan themselves. CMS sent beneficiaries a BLUE letter if CMS will automatically enroll them in a new plan if they do not choose one themselves. Low-income beneficiaries in every state have at least five plan choices where they will pay no premium. The drug coverage and expected spending for beneficiaries in these plans varies tremendously; beneficiaries should carefully review their options and choose the plan that is best for them before CMS randomly reassigns them to a new one.

\*Levels for 2007 are \$19,155 (\$25,680) in Alaska and \$17,625 (\$23,625) in Hawaii.

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<sup>1</sup> Avalere Health.

<sup>2</sup> Kaiser Family Foundation.