

Moving to Medicare



The switch from private insurance can be a shock for people who find they have to pay more for their MS medication.

by Brandie Jefferson

Tod Gervich was looking forward to his 65th birthday. The self-employed financial adviser had been paying for health insurance for himself and his wife to the tune of about \$1,000 per month each, and premiums were increasing annually. His private insurance covered his disease-modifying therapy, Copaxone, to treat his multiple sclerosis, leaving him responsible for a co-pay of about \$50 a month.



Tod Gervich was shocked by his prescription cost increases when Medicare kicked in. Photo courtesy of Tod Gervich

He thought it would be smooth sailing once Medicare kicked in.

“When I turned 65, I was actually looking forward to it,” says Gervich, who lives in Cape Cod in Massachusetts. “‘My expenses are going to be reduced substantially,’ I told myself. I was rejoicing.”

“Well,” he adds. “No. That didn’t happen.” Part A and Part B were reasonable for him, he says of the Medicare options that cover inpatient and outpatient costs.

“But the way they handle drugs is entirely different.”

For people with chronic conditions requiring expensive therapies—such as the disease-modifying therapies often prescribed for MS—switching to Medicare from private insurance can bring sticker shock, or worse. They may be forced to make difficult decisions: They may need to switch, or even, in extreme cases, cease their medication due to cost.

How to become eligible for Medicare

Most people can enroll in the federal health insurance program once they turn 65, but others might also be eligible. “If you’re an individual who has received Social Security disability benefits for 24 months, you are eligible for Medicare,” says Sherry Perry, MS Navigator for the National Multiple Sclerosis Society. People receiving dialysis treatment, and those diagnosed with ALS are automatically eligible for Medicare.

There are four parts to Medicare: Part A for inpatient services; Part B for outpatient services; Part C, known as Medicare Advantage (private plans that sometimes include drug coverage); and Part D, prescription drug coverage. 'Medicare Advantage' plans bundle all of the same benefits covered by Medicare A, B, and sometimes prescription drugs, together in one plan, but also restrict enrollees' choice of doctors, therapists, hospitals and other providers.

Part A is paid for by the Medicare tax most people see in their paychecks, so typically, there are no additional premium costs to those receiving it, although annual deductible and other cost-sharing amounts can kick-in for inpatient services. Part B does require a monthly premium, but enrollment in it can be delayed if a person has other insurance coverage. If someone is planning to opt out of Part B, Perry say, "make sure you opt out by following all the rules. If you don't, you could face penalties and risk not having any coverage."

Then there's Part D, prescription drug benefits.

As an MS Navigator, Perry takes calls from people around the country who have questions about health insurance and concerns about how to pay for their medication. "Concern about cost and confusion about drug prices is one of the top five questions," she says. "People ask 'How am I supposed to pay for this medication?'"

That's the question Gervich was asking.

When he paid for his own health insurance, his private insurance covered his Copaxone, leaving him with a \$50 copay. Last year was different. "I had to spend \$7,000 out of pocket," he says. "So all the savings I had got washed away on just that one drug."

In most 2019 Medicare drug plans, people were responsible to pay \$3,820 toward the price of their drug before they hit a coverage gap, known as the donut hole. Until recently, once they hit that coverage gap, people were responsible for the full price of their medications until they had paid up to \$5,100.

Changes to coverage

However, changes made to Medicare under the Affordable Care Act resulted in a gradual elimination of the donut hole, scheduled to end for brand name drugs in 2019 and for generic drugs in 2020. In the future, after the annual deductible has been met, people will be responsible for no more than 25 percent of the cost of brand-name drugs until they reach the catastrophic coverage phase. But 25% can still be a hefty sum for disease-modifying therapies, whose full cost is estimated at an average price of \$80,000 a year.

For 2019, once you have paid \$5,100 in prescription drug costs, you will be eligible for what is known as the catastrophic coverage phase and will be responsible for no more than 5% of the cost of brand-name drugs.

Helpful links to Medicare information

- [Medicare health coverage options](#)
- [Medicare prescription drug costs](#)
- [How to enroll in prescription drug coverage](#)
- [How Medicare works with other insurance](#)
- [How Medicaid works](#)

Perry cited an example of the costs of Copaxone for one Plan D offering from the Medicare.gov plan finder tool: A person would pay \$2,225 the first month. The next month, \$852. At that point, they would have reached the catastrophic coverage phase and would pay \$400 a month for the rest of the year. (Perry cautions that these prices can vary from plan to plan).

If you have reached age 65 and qualify for Medicare but also have coverage from another source, (such as retiree coverage, for example), the rules are different regarding which is primary insurance coverage and secondary insurance coverage.

Choosing wisely can be confusing, to say the least. In some states, there are up to 25 drug plans to choose from.

“I’m an expert and I still have to look up things,” Perry says. “And I’ve been doing this for over 10 years.”

Bridging the gap for medical coverage

Erin Bradshaw is the chief of mission delivery at the Patient Advocate Foundation. She has advice for anyone with a chronic condition who will be transitioning to Medicare.

“I strongly encourage purchasing supplemental insurance during Medicare enrollment,” she says. “Having a medical condition will generate expenses. Supplemental insurance, known as Medigap, provides a safety net adding additional coverage to pay medical expenses you incur.”

Medigap insurance is additional coverage sold by private companies that will cover some of the costs of Medicare deductibles, copays and coinsurance.

As supplemental insurance is a private insurance policy, companies can determine whether to accept new members. If you have a pre-existing condition, timing is of the essence when it comes to enrolling. “You’ve only got a small window of time to make those choices and decisions,” Bradshaw says.

Your state department of insurance can provide details about the Medigap plans available in your state.

With all these options, fees, restrictions and offerings may seem overwhelming. But there are things you can do to make the process easier. One thing not to do, Bradshaw cautioned, is to compare your plans to others’.

“People will call and say, ‘I don’t understand. My friend has this plan,’” Bradshaw says. “You should be cautious and not compare yourself to someone else; the same plan may not work well in your situation.”

What you can do is educate yourself:

1. **Contact the Society’s MS Navigators**, who can answer general questions, as well as complex questions about benefits and insurance. The MS Navigators also provide open enrollment services for Medicare beneficiaries. “We focus on educating people about their options so they can make the best choice available,” Perry says. You can contact an MS Navigator by calling 800-344-4867, emailing ContactUsNMSS@nmss.org, or online at nationalMSsociety.org/navigator.
2. **Contact your local program**. “Every state has a free, one-on-one counseling program,” Perry says. “They may not know the ins and outs of multiple sclerosis, but we can provide supplemental materials and they can call and speak to an MS Navigator.” Visit the [State Health Insurance Assistance Program](#).
3. **Contact the Patient Advocate Foundation**. Find information about case managers, copy relief and financial aid patientadvocate.org. Call (800) 532-5274 for case management; (866) 512-3861 for copay relief; or (855) 824-7941 for information about financial aid.
4. **Search for charitable copay organizations**. There are only a few and they have limited funds. “I tell people to check these charities every single day either by phone or their website,” Perry says. They are open intermittently throughout the year, sometimes for just hours, until their limited funding runs out. Perry suggests trying [PAN Fund Finder](#).
5. **Search for discounts and freebies**. Even though drug companies typically do not offer drug coupons to Medicare, some may have free drug programs. “Because of federal regulations, pharmaceutical companies cannot offer the same discounts as others with private insurance may receive,” Bradshaw says. But some offer application to free medication. “Not all of them, but worth the effort to try.”
6. **Involve your friends**. “Ask someone to help take notes and remember questions,” Perry suggests, “especially if you’re experiencing cognitive symptoms. Having a family member or friend help is always a good idea.”
7. **Talk to your doctor**. Unfortunately, the prices of these drugs can lead to some tough choices. “I hear it a lot,” Perry says. “People making a choice between taking medication or getting food for the month. It’s really rough out there.”

Gervich knows how rough it is. “I feel punished financially for having a chronic disease,” he says. “I’ve even considered stopping the drug.”

This last resort—stopping medication—is one that advocates are fighting hard to eliminate. For now, people can best prepare themselves by seeking financial assistance when possible and, as Gervich has done, by becoming familiar with the complex system that is Medicare.

Also, be sure to review your plan options every year because the plans make changes annually. MS Navigators can provide Medicare plan searches during fall open enrollment October 15 to December 7.

“Do your homework,” Gervich says. “But because all the prices are about the same, there’s not much maneuvering room there. So I’d say the biggest step is awareness, just be sure you know what’s coming.”

Brandie Jefferson is a writer in St. Louis, Missouri. She was diagnosed with MS in 2005.

Learn more about the [National Multiple Sclerosis Society’s Access to MS Medication Initiative](#).

Find detailed [information about Medicare and how to enroll](#).