

## Advising Seniors: Today's Sales Opportunity

42 million seniors will soon be faced with a decision over which Medicare prescription drug plan to choose. The program starts in January, and the enrollment period runs from November 15 to May 15, 2006.

The new Medicare coverage, known as Part D, is confusing. In brief, people must enroll in a government-approved plan with a private insurer/provider.

The Standard Benefit has a deductible of \$250 with monthly premiums of about \$30-\$32. After the deductible is met, the individual pays 25% of the cost of medicines on the next \$2,250 of medicines purchased. Coverage is suspended from \$2,250 to \$5,100 in costs, at which point coverage resumes at 95%.

Why is this important?

If an eligible individual does not enroll when first eligible, there is a permanent penalty payment added to monthly premiums when subsequently enrolled. Administratively, the choices and the enrollment procedures are confusing. Seniors will need good advice from financial planning professionals about Medicare Part D and its impact on the entire financial/estate planning picture.

What other choices are there?

Providers are offering several options. Some plans may offer first-dollar, no deductible plans. Others may provide gap coverage for the \$2,250 to \$5,100 differential. Medicare has approved more than 70 options.

The only medicines covered are those on the "formulary." The formulary covers about 88% of the most commonly prescribed medications.