



Centers for Medicare & Medicaid Services National Training Program



Frequently Asked Questions (FAQs): Medicare Drug Coverage (Part D) Mini-Course & Podcast Series

1. Drug Coverage Under Different Parts of Medicare

Which parts of Medicare cover drugs?

Drug coverage under different parts of Medicare depends on medical necessity, the setting where you get health care, the reason why you need medication, federal laws that determine which part of Medicare should pay for certain drugs, and special drug requirements. Generally:

- Medicare Part A (Hospital Insurance) covers drugs you get as part of an inpatient treatment during a covered stay in a hospital or skilled nursing facility, or drugs you get for symptom control or pain relief in hospice care.
- Medicare Part B (Medical Insurance) covers drugs that usually aren't self-administered, like certain vaccines, injections, and infusions; some outpatient drugs like anti-cancer drugs; and immunosuppressive drugs for End-Stage Renal Disease (ESRD).
- Medicare drug coverage (Part D) covers prescription drugs included in the plan's drug list (also called a formulary) that meet certain conditions.

See the “Drug Coverage under Different Parts of Medicare” tip sheet for more details. There's a link in the Resources section of this course.

2. Who Can Get Medicare Drug Coverage (Part D)

Who can get Medicare Part D?

Medicare drug coverage is optional, but it's available to all people with Medicare, usually for an additional charge. This coverage is offered by insurance companies and other private companies approved by Medicare.

3. Enrollment

Do I automatically get Medicare drug coverage when I get Medicare?

If you qualify for Extra Help to pay for your prescription drugs, Medicare will enroll you in a drug plan unless you decline coverage or join a plan yourself. But for most people, Part D enrollment isn't automatic. The “Welcome to Medicare” package you get with your Medicare card explains important decisions you need to make, like how to get Medicare drug coverage (Part D). It also explains how to avoid a possible late enrollment penalty if you wait until after your 7-month Initial Enrollment Period (IEP) to get Part D coverage.

4. Coverage Options

What are my options for getting Medicare drug coverage?

There are 2 ways to get Part D coverage:

- **Through a Medicare drug plan (sometimes called a Prescription Drug Plan, or PDP).** These plans add drug coverage to Original Medicare, some Medicare Cost Plans, some Private Fee-for-Service plans, and Medicare Medical Savings Account (MSA) plans. You must have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance) to join a separate Medicare drug plan.

- **Through a Medicare Advantage Plan with drug coverage or some other Medicare health plan that includes drug coverage.** You get all of your Part A, Part B, and drug coverage through these plans. You must have Part A and Part B to join a Medicare Advantage Plan. Most Medicare Advantage Plans offer drug coverage.

5. Coverage Costs

How much does Medicare drug coverage cost?

Your actual drug coverage costs will vary depending on your prescriptions and whether they're on your plan's list of covered drugs (formulary), what "tier" the drug is in, which drug benefit phase you're in (like whether you've met your deductible, or if you're in the catastrophic coverage phase), which pharmacy you use (whether it offers mail order, preferred or standard cost sharing, or is out of network), and whether you get Extra Help paying your Medicare drug coverage costs. People with the lowest income and resources pay no premiums or deductible, and small or no copayments.

- In addition, there are certain required payments you'll have to make throughout the year in a Medicare drug plan: a monthly premium, yearly deductible (if applicable), copayments or coinsurance, costs in the coverage gap, and costs if you pay a late enrollment penalty. If you qualify for Extra Help, it may pay all or some of these costs, and you won't pay a late enrollment penalty.
- About 7% of people pay an extra amount in addition to their Part D premium, based on income. This is called the Part D Income Related Monthly Adjustment Amount (IRMAA). For those who have to pay it, the money goes to the government for the Medicare Trust Fund.
- To learn about Medicare drug plans, you can call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048. Or, contact the State Health Insurance Assistance Program (SHIP); visit shiphelp.org to get contact information for the SHIP office in your state. Visit Medicare.gov/plan-compare to get specific Medicare drug plan and Medicare Advantage Plan costs, and call the plans you're interested in to get more details.

6. What's Covered

What drugs does Medicare Part D cover?

For Medicare to cover a drug it must be available only by prescription, approved by the U.S. Food & Drug Administration (FDA), used and sold in the U.S., and used for a medically-accepted indication. All Medicare drug plans generally must cover at least 2 drugs in each of the most commonly prescribed categories, but the plans may choose which specific drugs they cover.

- Coverage and rules vary by plan, depending on:
 - Formularies (drug lists)
 - Tiers of coverage
 - Coverage for name brand and generic drugs
 - Protected categories or classes (for example, antidepressants)
 - Drug utilization rules (medication therapy management, opioid management, prior authorization, step therapy, etc.)
- Medicare drug plans (Part D) don't cover some drugs:
 - Drugs for cosmetic purposes or drugs that aren't medically necessary (for example, fertility drugs)
 - Drugs covered under Part A (for example, certain drugs you get as an inpatient in a covered hospital, skilled nursing facility, or hospice stay)
 - Drugs covered under Part B (for example, certain outpatient drugs like anti-cancer and immunosuppressive drugs)

7. Coordination of Benefits

How does coordination of benefits work for Medicare drug coverage (Part D)?

Generally, Medicare drug plans are the primary payer for prescription drugs. But in some situations, Medicare is the secondary payer, or Medicare may pay nothing.

- Whenever Medicare is the primary payer, your Medicare drug plan is billed and will pay its part first.
- When Medicare is the secondary payer, Medicare drug plans will generally deny primary claims.
- When Medicare is the secondary payer to a non-group health plan, or when a plan doesn't know whether a covered drug is related to an injury, Medicare drug plans will usually make a conditional payment to ease the burden on you, unless certain situations apply. For example, the drug plan won't pay if it's aware that you have workers' compensation, Federal Black Lung Program benefits, or no-fault or liability coverage, and has previously established that a certain drug is being used exclusively to treat a related illness or injury.

See the "Coordination of Benefits with Medicare" course for information and resources about this topic.

8. Annual Changes in Costs and Benefits

Can Medicare drug coverage costs and benefits change from year to year?

Yes. Your Medicare drug plan or Medicare Advantage Plan sends you 2 documents each fall about your Medicare Part D coverage for the upcoming year:

- An Evidence of Coverage (EOC) (no later than October 15) with details about plan benefits, costs, and other information.
- An Annual Notice of Change (ANOC) (no later than September 30) that explains changes to benefits, costs, or service area that will go into effect on January 1.

You may also receive a drug list, called a "formulary," that tells what drugs your plan covers, information about the appeals process, and how to get more information. You should read this information carefully and compare your plan with other available plan options.

9. Appealing a Drug Coverage Determination

Can I appeal a decision about Part D drug coverage?

Yes.

- If you disagree with coverage determinations, like whether a certain drug is covered, whether you've met all the requirements for getting a requested drug, how much you must pay for it, and whether to make an exception to a plan rule when you request it, then you, your prescriber, or your appointed representative must contact your plan to ask for a coverage determination. There are 2 types of coverage determinations: standard and expedited. Your request will be expedited (faster) if the plan determines, or if your doctor tells the plan, that your life or health may be seriously jeopardized by waiting for a standard request.
- If you disagree with the initial coverage determination, there's an appeals process with 5 levels. If you disagree with the decision made at any level of the process, you can generally go to the next level. At each level, you'll get instructions on how to move to the next level of appeal. For details on the appeals process, visit [Medicare.gov/appeals](https://www.medicare.gov/appeals).

10. Learn More About Medicare Drug Coverage

Where can I get answers to questions about Medicare drug coverage?

Here are some ways to get answers:

- Visit [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare). Anyone can see what plans are available and compare costs and coverage. Once you have Medicare, you can create an account, log in, and enter and save your current drug information to get detailed cost information.
- Call 1-800-MEDICARE (1-800-633-4227) anytime, 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (SHIP) office for free counseling on your coverage choices. Visit [shiphelp.org](https://www.shiphelp.org) or call 1-800-MEDICARE for the phone number of your SHIP.
- For information about applying for Extra Help, call Social Security at 1-800-772-1213, or visit [SSA.gov](https://www.SSA.gov). TTY users can call 1-800-325-0778.
- For information about your current drug coverage, contact your plan.

To view all available CMS National Training Program training materials, visit [CMSnationaltrainingprogram.cms.gov](https://www.CMSnationaltrainingprogram.cms.gov).

Disclaimer Notice

April 2023

The information in this document describes the Medicare Program at the time the document was printed. Changes may occur after printing. Visit [Medicare.gov](https://www.Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227) to get the most current information. TTY users can call 1-877-486-2048.

This isn't a legal document. Official Medicare Program legal guidance is contained in the relevant statutes, regulations, and rulings.

This product was produced at U.S. taxpayer expense.