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Medicare Part D Prescription Drug Letter:

As you may have already heard, there are significant changes in the Medicare Program involving the prescription drug coverage. We wish to address the issues regarding these changes.

Starting January 1, 2006, Medicare will offer new prescription drug coverage. Enrollment began November 15, 2005 and will run through May 15, 2006. Any individual who enrolls by December 31, 2005 will be covered as of January 1, 2006.

All individuals 65 and older will need to make a determination to see if they need to join the new Medicare Part D prescription drug plan. If you do not join the Medicare Part D prescription drug plan by May 15, 2006, and you do not currently have a drug plan, you will have to wait until the next open enrollment period which is November 15, 2006 - December 31, 2006. Please note that a premium cost penalty of 1% per month may apply for every month after May 15, 2006. There will be a 6% minimum penalty if you wait until the next open enrollment period beginning November 15, 2006.

Medicare does not offer this coverage directly. The insurance companies and other private companies will offer the Medicare Part D drug plans. There are numerous providers throughout the United States. It is important to determine your specific prescription drug needs in order to calculate which Medicare Part D plan is best for you.

We are enclosing a worksheet detailing the items needed to help determine which Medicare prescription drug plan is right for you. If you have any additional questions or need assistance, please contact us directly. You can also access Medicare's website at www.medicare.gov.

Our office has reviewed this change in great detail and offers our services to those clients requiring assistance.

Pratt and Associates

