

factsheet

JUNE 2010

alz.org

Medicare Update: The \$250 Rebate for Beneficiaries Who Enter the Coverage Gap

Under the Health Care Reform law, in 2010, Medicare beneficiaries who are enrolled in a Medicare drug plan may be entitled to a \$250 rebate after they enter the “coverage gap” (also called the donut hole.) The coverage gap is the period after the beneficiary and the drug plan has made some payments and the beneficiary is responsible for paying 100% of the drug costs

Who is eligible? Medicare beneficiaries who:

- Are enrolled in a Part D drug plan
- Enter the coverage gap (donut hole) in 2010
- Do NOT receive the low income subsidy or Medicaid benefits

What is it?

Eligible beneficiaries will receive a one-time \$250 rebate check. The rebate check will be mailed to the address on file with the Social Security Administration (SSA). The rebate will only be provided by paper check, not through electronic or direct deposit means. If a beneficiary has a representative payee through the SSA, the check will be mailed to the representative payee.

When will the rebate checks be mailed?

The first checks will be mailed in mid-June to eligible beneficiaries who entered the coverage gap on or before March, 31, 2010. Subsequent checks will be mailed out monthly. Beneficiaries should expect at least a 45 day lag time from the time they enter the coverage gap to the time they receive the rebate check.

What do eligible beneficiaries have to do?

Nothing. Medicare beneficiaries do not have to fill out any forms or provide any information to anyone to receive this rebate check. The checks will be mailed automatically about 45 days after entering the coverage gap. Do not give personal information to anyone in order to receive the rebate check.

What if the rebate check is not received?

If an eligible Medicare beneficiary has not received the rebate check in 45 days, the individual should:

- Contact Medicare at 1-800- MEDICARE to make sure that Medicare has received the information from the Medicare drug plan that the individual has entered the coverage gap.
- Contact the Social Security Administration at 1-800-772-1213 to make sure it has the correct home address to mail the check.

Will a beneficiary pay taxes on the rebate? No

Will the rebate affect other government benefits, like food stamps? No

Coming in 2011:

Beginning in 2011, there will be a 50% discount when Medicare beneficiaries buy Medicare-covered brand name drugs after they reach the coverage gap. There will be a 7% discount when buying Medicare-covered generic drugs in the coverage gap.

For more information:

Visit www.medicare.gov for additional information about the Medicare benefit.

Visit www.alz.org for information about Alzheimer's disease and about Medicare benefits.