

# Medicare Prescription Drug Coverage

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These days, you can get coverage for your medications with Medicare Part D or most Medicare Advantage plans.

With the right plan, you could keep your prescription costs to a minimum—an important part of managing your health care costs in Medicare.

In this video, we'll help you understand why drug coverage can be a key component of your Medicare benefits. Then, we'll go over two ways to get prescription drug coverage under Medicare, and how to find the right plan for you.

Neither Part A nor Part B covers most prescription drugs. But if you don't currently take any medications, do you really need this coverage?

Prescription drug costs account for 19% of all Medicare spending. But even if you don't take any prescriptions now, you should consider adding drug coverage anyway.

Here's why:

Skipping drug coverage now could cost you a lot down the road.

Medicare imposes a Late Enrollment Penalty for Medicare-eligible Americans who have a gap in prescription drug coverage. And this penalty grows the longer you go without coverage.

If you do finally enroll in drug coverage, Medicare automatically adds this penalty to your monthly premiums for as long as you have drug coverage.

You can get prescription drug coverage with Medicare in two ways: A standalone Part D prescription drug plan or a Medicare Advantage plan that includes prescription coverage.

To enroll in a standalone Part D plan, you must have Medicare Part A or Part B and pay an additional premium.

Part D plans are provided by private insurers, so premiums vary from plan to plan. But on average, these plans cost much less than Part B.

To receive drug coverage through Medicare Advantage, you must have both Parts A and B.

You may pay a monthly premium for Medicare Advantage on top of any Part A or Part B premiums. But you won't have a separate prescription drug premium.

When choosing a Part D or Medicare Advantage plan with drug coverage, you'll need to factor in the medications you currently take. If you don't, you risk having to pay out of pocket for your drugs if your plan doesn't cover these medications.

If you don't take any prescriptions now, consider enrolling in the lowest-premium plan to avoid penalties now, then switching to a higher-coverage plan later if you need to.

Use our Medicare Part D Worksheet included with this video to list the name, dosage, and frequency (how often you take it) for all your medications, exactly how they appear on the label.

Once you have your list, use the Medicare Plan Finder at Medicare.gov to input your location, medications, preferred pharmacies, and other options.

Medicare will show you a list of plans, so read the details about each, and select the one that best meets your needs.

Check out our video on using the Medicare.gov Plan Finder tool if you want us to walk you through that process in detail.

Based on your discoveries, write the best Part D and Medicare Advantage plans for covering your drugs in your worksheet.

Keep in mind: the cheapest plan isn't necessarily the best plan. Often, the lowest premiums buy the least coverage. So if you take multiple medications or at least one high-cost drug, a higher-premium plan may actually save you more money in the long run.

Making sure you find the right prescription drug coverage is critical for saving money on the medications you take. But you may also want to make sure you can keep your favorite doctors when you enroll in Medicare. So, watch our video on How to Keep your Providers with Medicare.

*If you're close to enrolling in Medicare, consider signing up to receive our e-mails. We'll send you helpful guides, hints, and reminders so you can get the info you need to make informed decisions regarding your coverage.*