

Medicare Replacement Drug Demonstration

The Medicare Replacement Drug Demonstration is a time-limited Medicare demonstration that will cover certain drugs before Medicare's prescription drug program begins in 2006. Medicare realizes the important role drugs play in treating serious diseases and keeping you healthy.

When Medicare first began, drugs played a much smaller role in medical care. Only drugs that are administered in a physician's office have been covered under Medicare Part B. In recent years, many new medications have been developed that replace some of these drugs, allowing patients with serious and life-threatening illnesses to avoid going to the doctor just to get their medication. These new "replacement" drugs include medications to treat some cancers, multiple sclerosis, rheumatoid arthritis, and pulmonary hypertension as well as other rare and serious diseases.

Because of the importance of these drugs in beneficiaries' lives and the convenience they offer, Medicare is implementing a demonstration to provide a special "bridge" benefit to make them available to some beneficiaries before the new Medicare drug benefit becomes available in 2006.

This demonstration will provide assistance with the cost of medications to some beneficiaries as early as Sept. 1, 2004. Participation in the demonstration is completely voluntary. This demonstration may not cover all the medications prescribed for a condition, but since these drugs are often very expensive, those beneficiaries who qualify will find they can save money by participating.

This demonstration is **not** the Medicare Prescription Drug Program that will begin in 2006, and it is not the same as the Medicare-approved drug discount card program that Medicare introduced in June 2004. Under the demonstration, you will still be able to participate in the Medicare-approved drug discount card program, which will help you get the best prices for your other prescription needs.

1. Who is sponsoring the project?

The Centers for Medicare & Medicaid Services (CMS) is sponsoring the project. CMS is the federal agency in the Department of Health and Human Services responsible for the Medicare program.

2. Where is the project being implemented?

This project is available to Medicare beneficiaries in the 50 United States and the District of Columbia.

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Frequently Asked Questions

3. How do I apply for this demonstration?

You may have an application package mailed to you by calling (866) 563-5386. TTY users should call (866) 563-5387. Or, you can go to Web site at www.medicare.gov.

Send your completed application to the following address:

Medicare Replacement Drug Demonstration
c/o TrailBlazer Health Enterprises, LLC
P.O. Box 5136
Timonium, MD 21094

If you have any questions about the application form or need assistance completing it, please call the telephone numbers above between 8 a.m. and 7:30 p.m. Eastern Time, Monday through Friday after July 6, 2004.

4. When did the demonstration start?

The demonstration began accepting applications on July 6, 2004, and enrolled its first beneficiaries effective Sept. 1, 2004.

5. How long will the demonstration last?

The demonstration will end on December 31, 2005. To continue to obtain these Medicare-covered drugs after this date, you will have to join a Medicare prescription drug plan in 2006.

6. Is there a limit to the number of people who can participate in the demonstration?

Yes. No more than 50,000 people with Medicare will be able to join this demonstration, and the demonstration cannot spend more than \$500 million. We will continue to enroll beneficiaries on a "first-come" basis until we reach one of these limits. If you aren't selected, your name will be placed on a waiting list in case additional slots become available. For current information regarding whether new applications are being accepted, please call (866) 563-5386; TTY: (866) 563-5387.

7. How do I know if I am eligible for this demonstration?

To be eligible for this demonstration, you must meet the following criteria:

- You must have or be able to obtain Medicare Part A, and have Medicare Part B.
- Medicare must pay first for your health care services (called the primary payer).
- You must live in one of the 50 states or the District of Columbia.
- You must have a signed document from your doctor explaining that you need one of the drugs covered under this demonstration for your health condition. You currently don't need to be taking any of the drugs covered under this demonstration to qualify. If you have any questions about whether these drugs may be right for you, you should talk to your doctor.
- You don't have any other insurance that has comprehensive drug coverage (such as Medicaid, an employer or union group health plan, or TRICARE)

8. What drugs will be covered under this demonstration?

The table below shows the drugs that will be covered for each condition under this demonstration.

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DRUGS COVERED UNDER THE MEDICARE REPLACEMENT DRUG DEMONSTRATION

(updated August 9, 2004)

Demonstration Covered Indication	Drug/Biological - Compound Name (Brand)
Rheumatoid Arthritis	Adalimumab (Humira)
	Anakinra (Kineret)
	Etanercept (Enbrel)
Multiple Sclerosis	Glatiramer acetate (Copaxone)
	Interferon beta –1a (Rebif, Avonex)
	Interferon beta –1b (Betaseron)
Osteoporosis (patient must be post menopausal and homebound)	Calcitonin – nasal (Miacalcin – nasal)
	Risedronate (Actonel)
Pulmonary Hypertension	Bosentan (Tracleer)
Secondary Hyperparathyroidism	Doxercalciferol (Hectoral)
Paget's Disease	Alendronate (Fosamax)
	Risedronate (Actonel)
Hepatitis C	Pegylated interferon alfa-2a (Pegasys)
	Pegylated interferon alfa-2b (PEG-Intron)
CMV Retinitis	Valcyte (Valganciclovir)
Acromegaly	Pegvisomant (Somavert)
Anti-Cancer	
Cutaneous T-cell Lymphoma	Bexarotene (Targretin)
Non-small Cell Lung Cancer	Gefitinib (Iressa)
Epithelial Ovarian Cancer	Altretamine (Hexalen)
Chronic Myelogenous Leukemia	Imatinib Mesylate (Gleevec)
GI Stromal Tumor	Imatinib Mesylate (Gleevec)
Multiple Myeloma	Thalidomide (Thalomid)
Breast Cancer	Hormonal therapy
Stage 2-4 only	Anastrozole (Arimidex)
	Exemestane (Aromasin)
	Letrozole (Femara)
	Tamoxifen (Nolvadex)
	Toremifene (Fareston)
Prophylactic agent to reduce ifosfamide-induced hemorrhagic cystitis	Mesna (Mesnex) Tablets only

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9. Why aren't these drugs covered for all conditions?

This demonstration only includes certain drugs that can be used instead of drugs currently covered under Medicare Part B. In some cases, a doctor may prescribe a drug covered under this demonstration, but the drug isn't replacing a drug already covered under Medicare Part B.

10. I have cancer and my doctor has prescribed a drug that isn't covered under this demonstration. Why aren't all oral cancer medications covered?

This demonstration only includes certain drugs that can be used instead of drugs currently covered under Medicare Part B. There are many oral cancer medications that Medicare Part B currently doesn't cover. However, these drugs will be covered in 2006 if you join a Medicare prescription drug plan. You may also be able to use a Medicare-approved drug discount card to help save money on these drugs in 2004 and 2005.

11. Some of the drugs I take are covered under this demonstration, but others aren't? Will this demonstration help pay for all my drugs?

No. The demonstration will only cover certain drugs. If you have a Medicare-approved drug discount card, you can use that to help with the costs of your drugs that aren't covered under the demonstration.

12. Where will I obtain my drugs if I participate in this demonstration?

Caremark is the contractor working with Medicare to provide services under this demonstration. Once you are enrolled in the demonstration, you will receive a specific prescription drug card to use when you purchase the drugs covered by this demonstration. You can have your prescriptions filled at a local pharmacy that is part of Caremark's nationwide network. You can also buy your prescriptions from Caremark's mail order service.

13. Are needles and syringes covered for drugs that must be injected?

Under Caremark's specialty mail order pharmacy program, all of the routine supplies you may need (needles, syringes, sharps containers, etc.) are provided at no extra cost.

14. If I participate in this demonstration, will it affect my other Medicare benefits?

No. You will still receive all of your Medicare-covered services.

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15. I am enrolled in a Medicare health plan. Can I apply for this demonstration?

Yes. If you have a Medicare Advantage plan (such as a Medicare managed care plan) or the Original Medicare Plan, you can still apply for this demonstration. Keep in mind that this demonstration is trying to improve access to drug coverage. If you already have drug coverage from your plan, it is important to compare your current coverage to the coverage you will have in the demonstration. If your current plan provides better coverage for your prescription drugs, you might not want to enroll in the demonstration.

16. I have a Medicare-approved drug discount card. Can I still apply for this demonstration?

If you have a Medicare-approved drug discount card, you can still apply for this demonstration. However, you can't use the Medicare-approved drug discount card to pay for your drugs covered under the demonstration.

17. Can my Medicare supplement ("Medigap") plan help me pay for the out-of-pocket costs?

No. Your Medicare supplement ("Medigap") plan can't pay for or reimburse you for the cost of your drugs under this demonstration. If you have a Medigap plan that provides limited drug coverage (an "H", "I" or "J" plan), you may use that coverage to pay for other drugs you take that aren't covered under this demonstration.

18. Should I apply for this demonstration if I already have some insurance coverage for prescription drugs?

It depends. If you have drug coverage through another plan, such as a Medicare Advantage plan (such as an HMO, a PPO or a private fee-for-service plan), a Medicare supplement ("Medigap") plan or a union or employer-sponsored retiree health plan, you will need to decide if your out-of-pocket costs for your drugs will be more or less under this demonstration than you currently pay.

If you have comprehensive drug coverage under TRICARE, Medicaid, or a union or employer-sponsored retiree plan, you can't apply for this demonstration. However, if your coverage has an annual dollar limit, is limited to generic drugs, or requires higher out-of-pocket costs than you would pay under this demonstration, you should consider applying.

You should carefully compare your out-of-pocket costs under your existing plan before applying for this demonstration. You can call (866) 563-5386 to get help. TTY users should call (866) 563-5387.

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19. How much will I pay for my drugs under this demonstration?

Under this demonstration, you must pay an annual deductible. After you have met the deductible, you must pay a percentage of the cost of the drug you are taking. Because the demonstration is starting in the middle of the year, the total amount you will have to pay out of pocket in 2004 is less than what you will pay in 2005 when you will be covered under the demonstration for the full year. The table below explains what you will have to pay each year out of pocket. If you qualify for financial assistance, you will pay less than the amounts shown in this table.

Medicare Replacement Drug Demonstration - Standard Benefit Out-of-Pocket Costs		
	2004 (Sept. - Dec.)	2005 (Jan.- Dec.)
Each year, you must meet this deductible before Medicare pays anything ¹ :	\$85	\$250
After you have met your deductible, you must pay 25% of the cost of your drugs until you have paid this amount out of pocket:	\$165	\$500
After you have paid both the deductible and the above "25% coinsurance" amount, you must pay 100% of the cost of your drugs out of pocket until you have paid an additional:	\$950	\$2,850
When you have paid all of the above amounts, you will have reached the "Catastrophic Limit" of:	\$1,200	\$3,600
Once you have reached the "catastrophic limit," you will pay the following for each prescription ² :	The greater of: <ul style="list-style-type: none"> • 5 percent. Or, <ul style="list-style-type: none"> • A fixed copayment of \$2 for generic or preferred multibrand drugs or \$5 for all other drugs. 	The greater of: <ul style="list-style-type: none"> • 5 percent. Or, <ul style="list-style-type: none"> • A fixed copayment of \$2 for generic or preferred multibrand drugs or \$5 for all other drugs.

¹ Some low-income beneficiaries, those with incomes between 135 percent and 150 percent of the Federal Poverty Level, will also have the deductible reduced to \$20 in 2004. Other low-income beneficiaries will not pay any deductible in either year.

² To the extent that a group health plan, insurer, or other similar third-party payment arrangement pays for or reimburses you for any out-of-pocket costs, the catastrophic limit will be higher as those reimbursed costs cannot count toward the true out-of-pocket ("catastrophic") limit.

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20. My income is limited. Is there any way I can receive extra help with my share of these costs?

Yes. Extra help will be available for people with low incomes and limited assets. Most significantly, people with Medicare in the greatest need, who have incomes below a certain limit won't have to pay the deductible and they will only pay a small copayment for each drug.

Other people with low incomes and limited assets will pay a reduced deductible amount and the amount they pay for each drug will be limited.

If you think you may qualify, you must complete a special financial assistance application form. You can request this form by calling (866) 563-5386. TTY users should call (866) 563-5387. You can also obtain a copy of this form on the Web at www.medicare.gov.

21. What if my income level changes while I am participating in the demonstration?

If your financial situation changes after you enroll, you must let us know by calling the toll-free number. If you are earning less than before or your personal resources are less than before, you may qualify for a low-income coverage plan. Medicare cannot refund any copayments or deductibles you may have paid after your income status changed, so it is important to call as soon as your status changes.

If you were already qualified for a low-income coverage plan and your earnings increased, you still must notify us. You will not have to pay additional for prescriptions you received while under the low-income coverage plan. But, your coverage will have to be adjusted and you may have to pay more in copayments or even a deductible for your next prescription.

22. Can charitable organizations help me pay for the out-of-pocket costs under this demonstration?

Yes, in some cases. Some charities and public programs or certain foundations may help you with the out-of-pocket costs for your drugs. These charitable organizations must meet the following criteria:

- It is an independent, non-profit, tax-exempt organization that isn't subject to control, either directly or indirectly, by any donor.
- The organization provides financial help to any qualified patient (suffering from the specific chronic illness supported by the organization's programs) regardless of the particular physicians, providers, supplier of items or services, or drug the patient may use.
- The organization makes its financial eligibility determinations using its own criteria without regard to any contributions made by a donor whose products or services may be used by the patient.
- The organization doesn't require patients to use specific doctors or providers to receive financial help, and allows patients to change doctors at any time.
- The organization doesn't refer patients to any donor or other provider.

You may also be able to receive help from your state's pharmacy assistance program.

If you have questions about a particular organization or these requirements, check with that organization or call (866) 563-5386. TTY users should call: (866) 563-5387.

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23. I don't speak English. How can I receive help with my questions?

Call the Medicare Replacement Drug Demonstration number, (866) 563-5386, and a customer service representative will conference-in an interpreter at the language line for assistance. Service is available in 150 languages.

24. I am hearing impaired. How can I receive help with my questions?

Call the TTY number, (866) 563-5387, and a customer service representative will be available for assistance.

25. Can I have someone submit an application on my behalf?

Yes. You may have someone (such as a friend or family member) complete and send the application for you. This is called a "proxy." You must still sign the completed application before it is mailed. Also, the person who completed your application should provide his name, relationship to you, and a telephone number where he can be reached on the application, and then sign it.

26. What do I do if I find the demonstration is not for me?

You are not obligated to take part in this demonstration. In fact, it is really meant for people who need help with the cost of their prescription drugs. If taking part in the demonstration is not best for you, you should not apply. Your Medicare benefits will not change. If you have already enrolled and decide to discontinue your participation, you may call the toll-free number and let us know. Or, you can simply do nothing. Just stop using the membership card. Medicare only pays if you use the demonstration drug card Caremark sends you.