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### *MMA - Medicare-Approved Drug Discount Cards and Transitional Assistance Program: A Summary of New Initiative of Interest to Physicians and Other Health Care Professionals*

#### Provider Types Affected

Physicians and other health care professionals

#### Provider Action Needed

This instruction provides important information on a new initiative to increase enrollment of low-income Medicare beneficiaries in a Medicare-Approved drug discount card and a \$600 credit.

#### Background

In an earlier Medlearn Matters article, an overview of the Medicare-Approved Drug Discount Card Program was provided.

(See SE0422 at: <http://www.cms.hhs.gov/medlearn/matters/mmarticles/2004/SE0422.pdf>)

This program is authorized by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA). The program is designed to help people who are covered by Medicare with the cost of prescription drugs, and the regulation outlining the new drug discount card program is the first action resulting from the MMA. It emphasizes the importance of eliminating the practice of Medicare beneficiaries having to pay full price for prescription drugs. Beginning in May 2004, individuals began enrolling in the program.

Seniors and individuals with disabilities will be able to use these cards to save 10 to 15 percent on their total drug costs, with savings of up to 25 percent or more on individual prescriptions. All Medicare beneficiaries, except those who already have Medicaid outpatient drug coverage, will be able to enroll in Medicare-approved drug discount card programs with benefits beginning in June 2004, and continuing until the Medicare prescription drug benefit is implemented in 2006.

Medicare beneficiaries will be allowed to enroll in only one drug card program at a time. The cost of enrollment can be no more than \$30 annually, and beneficiaries can change cards during an open enrollment period prior to 2005 or under special circumstances. Beginning in 2006, all people with Medicare will have access to a voluntary prescription drug benefit.

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### *Transitional Assistance Program*

A key part of the Medicare-approved prescription drug discount card program is a **subsidy of up to \$600 a year** for eligible low-income beneficiaries. Individuals may qualify for the \$600 credit on their discount card to help pay for prescription drugs if they:

- Have an annual income in 2004 of no more than \$12,569 if single or \$16,862 if married; and
- Receive help from their state in paying their Medicare premiums or cost sharing.

Note that these income limits can change every year. Also, residents of Puerto Rico or a U.S. territory are not eligible for the \$600 credit from Medicare. However, they may be eligible for similar assistance provided by the territory in which they reside. Beneficiaries cannot qualify for the \$600 if they already have outpatient prescription drug coverage from certain other sources.

### *Current Initiative*

The Centers for Medicare & Medicaid Services (CMS) current initiative creates a streamlined Medicare-approved drug discount card enrollment process for about 1.1 million beneficiaries who receive help from their state in paying their Medicare premiums or cost sharing. These state programs are called Medicare Savings Programs. Starting in mid-October, these beneficiaries will receive an enrollment kit in the mail from a Medicare-approved drug discount card sponsor. The enrollment kit will contain a discount card with a Medicare-approved logo, a member handbook, a discount drug list, and pharmacy directory. An enclosed letter will explain to the beneficiary his or her assignment to a Medicare-approved drug discount card and eligibility for a \$600 credit, and information about the right to decline or switch to a different Medicare-approved drug discount card. The letter instructs the beneficiary to call either the company offering the discount card or 1-800-MEDICARE (1-800-633-4227).

On November 1, 2004, the beneficiary can begin using the card to obtain discounts. In order to get the \$600 credit, the beneficiary must call 1-800-MEDICARE or to the card sponsor's toll free number. On the call, the beneficiary completes the attestation for the \$600 credit.

Beneficiaries who wish to choose a different card can call 1-800- MEDICARE to learn about their other choices.

If a beneficiary is not eligible for the \$600 credit because of other prescription drug coverage, he or she has the option to keep the drug card and benefit from any associated discounts. In this instance, the beneficiary would be responsible for paying the enrollment fee.

Beneficiaries who wish to decline enrollment in the card must call the drug card sponsor at the toll free number.

As a result of this new program for enrollment in the drug card program, all beneficiaries in Medicare Savings Programs can start getting large savings on their drug costs.

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## Additional Information

### *Where to Refer Medicare Beneficiaries for Information on Prescription Drug Discount Programs*

In addition to the Medicare-approved drug discount cards, there are other programs available that provide assistance in paying for prescription drugs. Alternatives such as individual state pharmacy assistance programs and manufacturers' discount programs may be a better fit for certain individuals. Medicare recognizes that physicians and other health care professionals have limited time available to counsel patients. Therefore, the following resources are available to help individuals with questions about the Medicare-approved drug discount cards:

- **The 1-800-MEDICARE (1-800-633-4227) Toll-Free Call Center:**

Beneficiaries can get information about how the discount drug card program operates, who can qualify and how to join, as well as some comparative information on card sponsors at 1-800 MEDICARE (1-800-633-4227; TTY users should call 1-877-486-2048).

This Call Center is available 24 hours per day, 7 days per week, and connects beneficiaries with customer service representatives who can answer questions and perform price comparisons for discount cards and other assistance programs. Beneficiaries should prepare a list of current prescription drugs and dosages prior to contacting the Call Center. Also, beneficiaries may request a copy of their individualized price comparison results.

- **The Prescription Drug and Other Assistance Programs Website at:**

<http://www.medicare.gov/AssistancePrograms/home.asp>

For beneficiaries who use the Internet, this site features eligibility, enrollment, and price comparison information for each available discount card in a particular area, as well as their state pharmacy assistance programs. It also has a tool that helps beneficiaries determine the best savings program based on their prescription drug needs.

- ***Medicare's Guide to Choosing a Medicare-Approved Drug Discount Card***

This resource can be found at: <http://www.medicare.gov/publications>. It provides beneficiaries with information on choosing a card, enrolling, and submitting complaints. This guide also features sample enrollment forms and worksheets to assist beneficiaries in selecting the discount card that is right for them.

- **State Health Insurance Counseling and Assistance Programs (SHIP):**

Beneficiaries may also contact their SHIP counselor for information on prescription drug cost assistance programs. To find the telephone number for the nearest SHIP, call 1-800-MEDICARE (1-800-633-4227) or visit:

<http://www.medicare.gov/Contacts/Related/Ships.asp>

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*For More Information*

The following information resources are available for physicians and other health care professionals:

- Download a free patient-education brochure at: <http://www.medicare.gov> (or call 1-800-MEDICARE to order a limited number of free copies).
- Read the materials on the Medicare-Approved Drug Discount Cards and Transitional Assistance Program web page, at <http://www.cms.hhs.gov/medlearn/drugcard.asp>. This page includes a variety of useful publications.
- Attend CMS Open Door Forums in person or by telephone (toll-free). These forums address concerns and issues of physicians, nurses, and allied health professionals. Visit: <http://www.cms.hhs.gov/opendoor> for further details.
- Visit: <http://www.cms.hhs.gov/medicarereform> for the latest information on MMA.

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