



MEDICARE PRESCRIPTION DRUG DISCOUNT CARD AND TRANSITIONAL ASSISTANCE PROGRAM





Overview

- **Voluntary Program**
- **Help for many people with Medicare to save on prescription drugs**
- **Bridge to Part D Prescription Drug benefit**





Overview

- **Immediate relief for ~ 24% of beneficiaries with no outpatient drug coverage**
- **Additional help for people with the greatest need**





Important Dates

- **Enrollment as early as May 2004**
- **Discounts begin as early as June 2004**





Card Program

- **Private sector discount card programs qualified for Medicare approval**
- **All beneficiaries guaranteed at least 2 choices in their State**
- **Enrollment fees cannot exceed \$30**





Transitional Assistance

- **Transitional Assistance (i.e., the \$600 credit) available in June 2004**
- **~ 7.2 million beneficiaries will be eligible for TA**
- **Enrollment fee waived**





Eligibility

- **Drug card eligibility – enrolled in Part A or B**
- **Cannot receive outpatient drug coverage through Medicaid**





\$600 Credit

- **\$600 Credit – Cannot exceed 135% FPL, i.e.,**
 - \$12,569 (single) or
 - \$16,862 (married)
- **No outpatient drug coverage from other sources**





Coinsurance

- **Pay 5% coinsurance – if income, at or below 100% FPL**
- **Pay 10% coinsurance – if income above 100% FPL**





Enrollment

- **Simple and convenient**

- Select card and submit information on Medicare/Medicaid status
- \$600 – credit submit income and marital status information





Enrollment

- **CMS verifies enrollment information**
- **Once enrolled, can use discounts and \$600 credit *as early as 1st* day of next month**
- **If ineligible for card or \$600 credit, may request reconsideration**





Enrollment

- **Enroll at any time**
- **Once enrolled, may switch to new card between November 15 and December 31.**
- **Special election period, in certain circumstances**





TA Dates

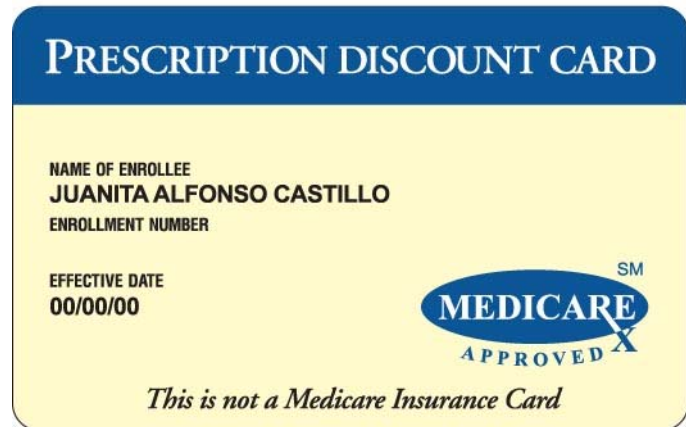
- **CY 2004 – full \$600 credit applies**
- **CY 2005 – another \$600, but pro-rated amount, if enroll late**
- **Unspent funds can rollover to next year and remain through early 2006**





Information Campaign

- **National Advertising Campaign to build awareness**





Information Campaign

• Direct Mail

- CMS mailing to all Medicare beneficiary households
- SSA mailing to low-income individuals potentially eligible for \$600 credit
- Guide to Choosing a Medicare-Approved Drug Discount Card



Guide to Choosing a Medicare-Approved Drug Discount Card

This official government booklet will help you answer these questions:

- What are these cards?
- Who can get a card?
- How do they work?
- How do I choose the best card for me?





Information Campaign

- **Sponsors' prescription drug prices on**
 - www.medicare.gov
 - 1-800 MEDICARE
- **Information about card and pharmacy assistance programs**
- **Beneficiaries choose what's best for them**





www.medicare.gov

- Prescription Drug and Other Assistance Program
- Eligibility screening

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The Official U.S. Government Site for People with Medicare
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Prescription Drug and Other Assistance Programs Help Mailing List

Eligibility Questions About Assistance Programs Resources

Welcome to the Prescription Drug and Other Assistance Programs section of Medicare.gov. This section provides information on public and private programs that offer discounted or free medication, programs that provide help with other health care costs, and Medicare health plans that include prescription coverage.

Medicare-Approved Drug Discount Card **NEW!**

This database now has information about the new Medicare-approved drug discount cards. You can enroll in one of these discount cards as early as May 3, 2004. Most people with Medicare can get a Medicare-approved drug discount card. Enrolling in a Medicare-approved drug discount card is your choice. If you choose to enroll in a Medicare-approved drug discount card, you can use your discount card as early as June 1, 2004. The Medicare-approved drug discount card will provide you with immediate savings on your prescription drugs. More information about Medicare-approved drug discount cards is available in the flyer **The Facts about Upcoming New Benefits in Medicare**.

Note: This tool is entirely confidential. We will not save or share the information you provide with anyone for any purpose.



Medicare Approved logo and insurance card



CMS logo



www.medicare.gov



- **Customized price comparison among cards**
 - savings by individual drug and in aggregate
- **Prescription drug savings programs available**

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 The Official U.S. Government Site for People with Medicare
Medicare Help | Printable-Version | Mailing List
 Savings Card Comparison | Zip Code Locator | Search

Detailed Savings Information

Here is a list of available pharmacies within your radius of 5 miles for your one month's supply of drugs.

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Platinum Drug Savings Card Contact Sponsor >>				
Drug Name:	Dosage:	Taken How Often:	Pills/Month:	Cost/Month:
<i>DEF Pharmacies (Retail Pharmacy)</i>				
Lipitor	10 mg tablets	1 time per day	30	\$71.78
Fosamax	5 mg tablets	1 time per day	30	\$81.38
Celebrex	100 mg capsules	1 time per day	30	\$58.25
Total Cost:				\$211.41
<i>XYZ Pharmacies (Retail Pharmacy)</i>				
Lipitor	10 mg tablets	1 time per day	30	\$73.74
Fosamax	5 mg tablets	1 time per day	30	\$82.89
Celebrex	100 mg capsules	1 time per day	30	\$66.48
Total Cost:				\$223.11

ABC Rx Savings Card Contact Sponsor >>				
Drug Name:	Dosage:	Taken How Often:	Pills/Month:	Cost/Month:





1-800 Medicare

- **1-800 Medicare (1-800-633-4227)**
- **24 hours a day, 7 days a week**
- **English and Spanish speaking customer service representatives**
- **Assist beneficiaries in comparing available options**
- **Mail customized information about options**





Other Info Efforts

- **Tip sheet to assist with enrollment in drug card**
- **CD on use of the Prescription Drug and Other Assistance Programs**
- **Outreach to Health Care Professional**
- **More info on drug discount program:**
www.cms.hhs.gov/discountdrugs/





Outreach

- **REACH**
- **Grassroots Mobilization**
- **State Health Insurance Assistance Programs**





Sponsor Qualifications

- **For Medicare's endorsement:**
 - Relevant experience
 - Financial stability
 - Service area (an entire state) / pharmacy network access





Sponsor Qualifications

- **For Medicare's endorsement:**
 - Administer \$600 credit program
 - Provide negotiated prices
 - Manage eligibility / enrollment
 - Provide customer service
 - ❖ toll free number during business hours
 - Provide grievance process





Mail Order

- **Mail order option permitted**
 - *no mail-order only programs*
- **Cannot require use of mail-order pharmacies**





Drugs & Supplies

- **Almost all prescription drugs available for purchase at pharmacies are eligible for discount and use of \$600 credit**
- **Some medical supplies may qualify too**





Rebates/Discounts

- **Sponsors must obtain rebates to help lower costs**
- **Most discounts should be passed on to enrollees at point of sale**





Formularies

- **Sponsors may use formularies to get deeper discounts**
- **\$600 credit can be used, even if drug not in formulary**





Discounts

- **If used, formulary must offer discount on drug types common to beneficiaries**
- **OTC drugs may be discounted, but \$600 credit cannot be used for them**





Plan Programs

- **Medicare managed care plans may offer “exclusive card programs”**
- **Flexible application of \$600 credit allows plan to enhance its drug benefit**





State Programs

- **States can coordinate their state funded programs with sponsors**
- **State may choose to pay enrollment fees and co-insurance amounts**





Special Endorsement

- **Allows discounts and use of \$600 credit through:**
 - LTC pharmacies
 - I/T/U pharmacies





Territories

- **Transitional Assistance in the territories – separate and distinct program**
- **\$35 million one time only grant available**

