



# Medicare: Today's Issue

May 4, 2004

## *BETTER BENEFITS – MORE CHOICES*

*Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!*

### **Medicare-Approved Drug Discount Cards Now Available**

#### **HHS Has Detailed Resources to Help Beneficiaries Make Informed Choices**

- ❖ Beginning yesterday, seniors and people with disabilities who receive Medicare can now begin to compare and choose the Medicare-approved drug discount card that best fits their needs in providing savings on their prescription medicines. The new cards are expected to offer Medicare beneficiaries discounts on their prescription drugs of between 10 and 25 percent. Low-income beneficiaries may also receive a credit of up to \$600 each year in 2004 and 2005 to help pay for their prescriptions.
- ❖ Private organizations can now begin marketing their Medicare-approved discount cards to people with Medicare and beneficiaries are now able to compare cards and enroll in the one they choose. Medicare is providing a new Price Comparison Web site at [www.Medicare.gov](http://www.Medicare.gov), where industry drug prices are being posted for the first time.
- ❖ The drug discount cards are an important new way for seniors to save money on their prescriptions, and HHS encourages people with Medicare to shop and compare the prices offered by various card sponsors. Secretary Thompson said competition among card sponsors will work to drive down prices even further, particularly in the first couple weeks of the program -- providing an even greater opportunity for seniors to save.
- ❖ Low-income seniors who may qualify for the \$600 credit in addition to the discounts are particularly urged to participate in the drug card program. The discount card program is providing unprecedented assistance to low-income seniors and persons with disabilities to pay for their medicines. Medicare beneficiaries whose income in 2004 is no more than \$12,569 if single, or no more than \$16,862 if married should qualify for the credit.
- ❖ In addition, the Centers for Medicare & Medicaid Services (CMS) recently announced that low-income Medicare beneficiaries enrolled in state pharmacy assistance programs that provide discounts on prescription drugs may, at the state's option, be automatically enrolled for the \$600 credit on a Medicare-approved drug discount card. States that have the authority to act as an "authorized representative" of a beneficiary (as defined by state law) will be permitted to enroll beneficiaries in drug discount cards on the beneficiary's behalf. This step will make it easier for low-income beneficiaries in states with pharmacy assistance programs to get \$600 in additional help.

- ❖ To make it even easier to sign up for a discount drug card as well as the \$600 credit, CMS has established a standard enrollment form that all card sponsors will accept. This form will also be used by State Health Insurance Assistance Programs (SHIPs), and other partners and organizations that assist beneficiaries with their health care decisions. Medicare is providing comparisons and assistance with enrollment. However, the beneficiaries will enroll directly with the card sponsor they choose.
- ❖ All Medicare beneficiaries, except those who have outpatient drug coverage through Medicaid, are eligible to enroll in a Medicare-approved drug discount card program starting today. Beneficiaries who enroll by the end of May 2004 will be fully eligible for the discounts and financial assistance beginning this June. The card sponsors may charge an annual enrollment fee of no more than \$30, though many cards have lower fees and some have no fee. There is no enrollment fee on any card for people who qualify for the \$600 credit.
- ❖ To date, CMS has approved 40 national cards available to all eligible beneficiaries, and 33 regional cards available to beneficiaries in specific areas. This includes a national Long Term Care card available for those in nursing homes and a regional card available in U.S. Territories. A small number of additional card applications are still being reviewed, and the number of cards that meet all Medicare requirements is expected to increase. The Web site will post the prices of more than 60,000 drug products at nearly 50,000 pharmacies.
- ❖ HHS is offering tools and personalized assistance to help seniors and other people with Medicare to compare cards and choose the one that provides them with the best savings. Beneficiaries can compare the prices of drugs offered by the drug cards at [www.medicare.gov](http://www.medicare.gov) or by calling 1-800-MEDICARE (1-800-633-4227). This information will help them compare the discounted prices negotiated by the card sponsors, as well as the enrollment fees, and other discount card features. They can also compare the prices of drugs being charged at their local pharmacies and find out the cards the pharmacies honor. The card sponsors provide the pricing and pharmacy information to CMS and that information is being updated weekly.
- ❖ Customer service representatives at 1-800-MEDICARE can answer questions about the program, help callers compare the drug cards on price and network pharmacies, and provide additional information for low-income beneficiaries on prescription drug assistance programs sponsored by their state and by drug manufacturers. The customer service representatives will mail the personalized results of the comparison to callers.
- ❖ Medicare-approved drug discount cards must offer discounts on prescription drugs for all of their Medicare enrollees. At least some of these savings must come from manufacturer rebates. Card sponsors also must publish prices for the prescription drugs their cards will cover, provide access to an extensive retail pharmacy network, operate call centers and have a process to respond to beneficiary concerns. Card sponsors may add drugs or lower prices at any time, but can only increase the negotiated price for covered drugs if there is a legitimate change in the sponsor's costs, such as changes in the discounts, rebates or other price concessions received from a drug maker or pharmacy. Medicare will also collect and track consumer complaints about Medicare-approved cards.