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MMA - Medicare-Approved Drug Discount Cards and Transitional Assistance Program: A Summary of New Initiative of Interest to Pharmacists and Pharmacy Professionals

Note: This article was revised on October 22 to correct the Web address for State Health Insurance Counseling and Assistance Programs.

Provider Types Affected

Pharmacists and other pharmacy professionals

Provider Action Needed

This instruction provides important information on a new initiative to automatically enroll certain Medicare beneficiaries in the Medicare-Approved Drug Discount Card program.

Background

In an earlier Medlearn Matters article (SE 0422), an overview of the Medicare-approved Drug Discount Card Program was provided.

(See SE0423 at: <http://www.cms.hhs.gov/medlearn/matters/mmarticle/2004/SE0423.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 possibly continuing until the Medicare prescription drug benefit is implemented in 2006.

Medicare beneficiaries will also have a choice of at least two Medicare-approved cards, but they 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

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special circumstances. Beginning in 2006, all people with Medicare will have access to a voluntary prescription drug benefit.

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.

Under the Medicare-Approved Drug Discount Card Program, Medicare beneficiaries are deemed to meet the income requirement for the \$600 credit in 2004 and 2005 if they are:

- Enrolled in Medicare Savings Programs as Qualified Medicare Beneficiaries (QMBs);
- Specified Low-income Medicare Beneficiaries (SLMBs); or
- Qualifying Individuals (QI-1s).

Current Initiative

The Centers for Medicare & Medicaid Services (CMS) current initiative facilitates enrollment and provides a streamlined process for the \$600 credit. Participating national Medicare-approved drug discount card sponsors will agree to follow simple procedures to facilitate the \$600 credit enrollment for about 1.1 million Medicare Savings Programs beneficiaries.

- On September 14, 2004, CMS issued interim guidance to all Medicare-approved drug discount card sponsors outlining the process for Medicare Savings Programs auto-enrollment. National sponsors have notified CMS of their intention to participate.
- CMS will randomly assign those eligible Medicare Savings Programs beneficiaries who have not already enrolled in a card to participating Medicare-approved drug discount card sponsors.
- Starting in mid-October, card sponsors will mail an enrollment kit to each Medicare Savings Programs enrolled individual. The enrollment kit will contain the following information:
 - Pre-enrollment materials: (Card Program, Member Handbook, Membership Card, Discount Drug List, Pharmacy Directory).
 - A notice advising the Medicare Savings Programs beneficiary of the automatic assignment, effective date of enrollment, eligibility for the \$600 credit, information about their right to decline and/or switch to another Medicare-approved drug discount card, and a toll-free number.

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- The card begins providing discounts on November 1. To activate the \$600 credit, the beneficiary makes one call to 1-800-MEDICARE or to the card sponsor's 800 number. On the call, the beneficiary answers two questions to confirm they are eligible for the credit:
 - Does the beneficiary have other health insurance with any outpatient prescription drug coverage?; and
 - Does the beneficiary have annual income (including spouse, if married) above or below \$12,569 for singles and \$16,862 for couples?
- Medicare Savings Programs beneficiaries who wish to choose another 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 drug coverage, they will still be able to use the drug card they received and benefit from any associated discounts.
- Medicare Savings Programs beneficiaries who wish to cancel enrollment in a card must call the drug card sponsor at the toll free number provided and request their enrollment be canceled. 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.

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 pharmacists and other pharmacy professionals have limited time available to counsel beneficiaries. 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 it 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. Customer service representatives will also be able to refer to appropriate sponsor or other resources (such as, make appropriate referrals for eligibility determination or to their State Pharmacy Assistance Program).

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- The Prescription Drug and Other Assistance Programs Website at:

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

At this site, beneficiaries can find 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. The negotiated prices displayed will be a drug's maximum price for an approved sponsor's service area. Actual prices may vary, but will not be more than the posted prices.

- *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/Static/SHIPs.asp?dest=NAV>

For More Information

The following information resources are available for pharmacists and other pharmacy 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 the pharmaceutical industry. 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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