



Medicare: Today's Issue

January 5, 2004

BETTER BENEFITS – MORE CHOICES

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

Medicare Endorsed Prescription Drug Discount Card:

- ✧ Beginning **this year**, the Medicare discount drug card program will provide America's seniors and disabled Medicare beneficiaries with much-needed discounts and information on their prescription drugs.
- ✧ The purchasing power behind the Medicare population is expected to save beneficiaries **an average of 10 to 25 percent** off the retail price of most drugs.
- ✧ This voluntary drug card program is not a drug benefit; but it is an important first step. The drug card program begins this year and will end when Medicare implements a new, permanent prescription drug benefit in 2006.
- ✧ All Medicare beneficiaries, except those who already have their medicines paid for by Medicaid, will be eligible to enroll in a drug card program. Beneficiaries will have a choice of at least two Medicare-endorsed cards, but will be allowed to enroll in only one drug card at a time.
- ✧ Card sponsors can be Pharmacy Benefit Managers (PBMs), wholesalers, retail pharmacies, insurers, or Medicare Advantage plans. No card sponsor will be permitted to offer a mail-order only program. Participating beneficiaries can continue to get the help they need from the community pharmacists they trust as all endorsed cards must include an extensive national or regional network of retail pharmacies.
- ✧ Drug card sponsors will be required to provide information to beneficiaries on the enrollment fee, which cannot be more than \$30 per year, and to publish discount prices for prescription drugs. This will encourage price competition and simplify the prescription drug buying decisions of seniors and people with disabilities. Medicare also will provide reliable, easy-to-compare information that will allow beneficiaries to choose the discount card program that best meets their needs.
- ✧ Example: Beneficiary A needs to fill a prescription for Lipitor. In 2002, an estimated retail price for 30 tablets of Lipitor (20 mg) was \$108.65. For beneficiaries, the Act could mean a **savings of nearly \$22 a month** off the retail price, and eligible low-income seniors could be eligible for additional assistance. This example is based on a 20% discount off the retail price.