

The Medicare Prescription Drug Discount Card

What is the new Medicare card?

The new Medicare prescription drug law creates a temporary prescription drug discount card program. Private companies (insurance companies or pharmaceutical companies, for example) will offer discount cards that will be “endorsed,” or approved, by Medicare. Like other prescription drug discount cards, the new Medicare cards will offer a discount on certain drugs. The Medicare card may—or may not—offer you a better price for a drug than other drug discount cards now available or other prescription drug programs (such as drug store discount card programs, programs sponsored by pharmaceutical companies, or programs available through your state).

Who can get a Medicare card?

You can sign up for a Medicare prescription drug discount card if you are eligible for Medicare—unless you have *Medicaid* prescription drug coverage, in which case, Medicaid will continue to provide your prescription drug coverage. If you are enrolled in a Medicare Advantage plan that has a prescription drug card, you may not be able to sign up for any other Medicare discount card.

The card is voluntary. However, you must sign up for a Medicare card to receive special low-income assistance, including \$600 in help with your prescription drug costs in 2004 and again in 2005. (See box, “Low-Income Assistance,” on page 4.)

When will the new Medicare card be available?

Private companies offering Medicare cards can begin to sign people up in May 2004, and you can begin to use the card in June 2004.

How do I get the new Medicare card?

First you will need to decide which card is best for you based on convenience, the drugs covered by the card, and the discounted price offered by the card (see box, “Thinking about the Trade-Offs When You Pick a Medicare Card,” on page 3). Second, you will need to fill out the application forms from the company that sponsors the card you pick. The application forms may be available from your pharmacy or directly from the company by mail or through the Internet.

How much will the card cost me?

Cards will cost up to \$30 (the price will be set by the company that offers the card). You will pay once for a card that covers June-December of 2004 and again for a card that covers the full year 2005. If you qualify for the \$600 assistance for low-income people (see page 4), the \$30 fee is waived.

What drugs will be discounted under the new Medicare card?

Each card must provide a discount on at least one drug to treat most health conditions, but you may find that only some (or none) of the cards cover the specific drugs you are now taking. Here's an example: There are several drugs used to treat stomach problems, such as Prilosec, Nexium, and Prevacid. Your card will have to offer a discount on one of these types of drugs but not necessarily more than one. It is important that you review the list of discounted drugs before selecting a card to make sure the card you pick offers discounts on the specific drugs that you take now. You also may want to talk to your doctor about whether you can take a different drug for your condition so you have more choices among the cards.

A private company that provides Medicare cards can change the drugs on its discount list and/or the discounted price of drugs as often as once a week. These companies do not have to notify you of these changes. The only way to check for changes will be to look on the Internet Web site for your card or to call the number on your card.

Where can I use my new Medicare card?

You will only be able to use your Medicare card at specific pharmacies, and participating pharmacies will vary from card to card. You should check to see if the card you are considering has a participating pharmacy close enough to where you live.

Your Medicare card may be usable only in your state, although some cards may be usable in multiple states or throughout the country. If you spend time each year in different areas of the country, you may want to check to see if you will be able to use the card in all those areas.

Will drug prices under one Medicare card be different at different pharmacies?

Yes, drug prices can vary from one pharmacy to another.

How can I compare the Medicare cards available to me before I choose a card?

There is no one standard for drugs or discounts provided by Medicare cards. You can only pick *one* Medicare card, and you will have only one opportunity to switch cards (see below), so you will have to decide which card is best for you.

Different cards will offer different discounts on different drugs. The discounts may only be available at certain pharmacies. The discounted price for a drug may or may not be better than the discounted price you can get through other prescription drug discount cards that are not part of the Medicare program. You should not give up any other cards you may have until you see how this new program works.

A list of Medicare cards will be on the Internet in April 2004 at (www.medicare.gov). For each card, the site will show the best discounted prices for each drug covered by the card. However, discounted drug prices can vary from pharmacy to pharmacy. Each Medicare card must have a number to call to give you more precise information on discounted prices at the closest participating pharmacy. Note that after you pick your card, the private company that provides it can change the covered drugs and/or the discounted prices of drugs as often as once a week, and the Internet site may not always show these changes.

If you don't have access to the Internet, you can call 1-800-Medicare to get help comparing cards.

Can I change cards?

You can only sign up for one Medicare card at a time. You can switch cards once, between November 15 and December 31, 2004. If you want to keep the same card, you do not need to reapply as long as you pay your annual fee for 2005.

(Although you cannot normally switch cards except between November 15 and December 31, 2004, certain exceptions will allow you to enroll with a new Medicare card at other times—for example, if you move. You will have to pay the enrollment fee for the new card and you will not get a refund for the fee you paid for the first card.)

Can I ever get the Medicare card fee refunded?

No. You may cancel your Medicare card at any time, but you may not receive a refund for the card fee.

Can I use other discount prescription drug cards with my Medicare card?

Yes. Although you can only have one Medicare card, you can use any other prescription drug discount cards to get the best price for the drugs you need. However, you can only use one discount card for each purchase. If you have a Medicare card and several other drug discount cards, you may need to have your pharmacist help you decide which card gives you the best price.

How will my card work with my state's pharmaceutical assistance program?

It is up to each state to decide how your Medicare card will work with your state's pharmaceutical assistance program. For example, if you get the \$600 low-income benefit (see page 4), your state's program might pay the 5 or 10 percent you must pay each time you fill a prescription. You will need to check with your state's program to find out the details.

Will the Medicare card save me money?

The answer depends on your drug costs, whether the drugs you use are offered at a good discount on any Medicare card, and whether or not you currently have any other drug coverage. Because we won't know what the discounts are until later this spring, it is impossible to say at this time.

Thinking about the Trade-Offs When You Pick a Medicare Card

You may have more than one Medicare card to choose from. What factors will you have to balance in making that choice?

Convenience: Can I use this card at a pharmacy that is close to where I live? Remember that if you spend part of the year in a different place, you will want a card that covers pharmacies in both places.

Covered Drugs: Does the card cover the drugs I need? If you find that the cards available to you offer a discount on some, but not all, of the drugs you take, you may want to talk to your doctor. Ask him or her if it's OK for you to switch to drugs that are offered at a discount by the card you want.

Savings: Does this card offer the best price on the drugs I take? The discount offered will vary from card to card, but also from drug to drug on any individual card. What's more, drugs don't have standard retail prices like clothing, so different cards could base their discounts on different "list" prices. This means that you have to look carefully at the bottom line price for each drug you take.

Low-Income Assistance

Am I eligible for the additional \$600 to help pay for my drugs?

In 2004, if you are an individual with income less than \$12,569, or you are married and you and your spouse together have income less than \$16,862, then you may be eligible for special assistance (the exact income limits will be available by the end of March at the latest). This special assistance will include \$600 in help with prescription drug costs, and you won't have to pay the fee to sign up for a card. The \$600 will be built into the card like a prepaid phone or mass transit card. As you fill prescriptions, the amount will be automatically subtracted from your card. The income limits will be a little higher in 2005. (**Note:** If you have prescription drug coverage through Medicaid, Tricare or the Veterans Administration, the Federal Employee Health Benefits Program, or an employer, you cannot get the \$600 low-income benefit.)

How can I use the \$600?

You can use the \$600 to pay for your share of the cost of a prescription until you use up the full \$600. (You may be asked to pay 5-10% of the cost of each prescription, but some cards may reduce this amount for discounted drugs.) You can also use the \$600 for prescription drugs not discounted by your card but available at participating pharmacies.

If you do not use the full \$600 in 2004, you can "roll over" the dollars and add them to the \$600 you get in 2005. Your pharmacist should be able to tell you how much money you have left of the \$600.

How do I get the additional \$600 to pay for drugs if I am low-income?

When you apply for a Medicare card, the sponsoring private company should provide you with a second, separate application form for the special low-income \$600 benefit. Normally, you should only be required to state your income and should not be required to provide documents to prove your income. The federal government will verify your income through your tax returns or Social Security records. If the federal government cannot verify your income, you may have to provide additional documents. You should hear from the company within one week.

You can apply for the \$600 low-income benefit at any time by asking the company for an application. If you apply at any time in 2004, you will get the full \$600. In 2005, you will only get the full \$600 if you apply before April 1, 2005. After that date, the benefit will be reduced based on the date you enroll.

If your application for the \$600 low-income benefit is turned down, you have the right to appeal this denial. Your notice of denial from the company must include contact information for filing an appeal.