

Medicare-approved Drug Discount Cards Provide Additional Savings to Low-Income Medicare Beneficiaries

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Overview

This study presents estimates of savings available this year (seven months¹) through Medicare-approved drug discount cards for low-income beneficiaries (incomes below 135 percent of the federal poverty line, or FPL) who are eligible for \$600 in transitional assistance and, in many cases, additional discounts on drug prices. The savings are derived from comparing prices for low-income beneficiaries on Price Compare (and factoring in transitional assistance) to national average retail pharmacy prices.

- Our results indicate that our illustrative low-income beneficiaries can save 29 to 77 percent over a 7-month period compared to national average retail prices for “baskets” of commonly used brand name drugs when both discounts and \$600 in transitional assistance are taken into account.
- Beneficiaries with incomes at or below 100 percent of the FPL in some cases secure additional discounts that provide some additional savings.
- In addition, our analysis indicates that low-income beneficiaries can save 39 percent to over 96 percent on individual brand name drugs that are commonly used by the Medicare population when both the discount and transitional assistance are taken into account. Five of the 9 brand name drugs we examined had savings of over 90 percent when transitional assistance is taken into account.
- The combination of the discounts and the \$600 in transitional assistance result in savings on individual generic drugs for low-income beneficiaries that are quite significant – more than a 92 percent savings for the drugs and geographic areas we randomly chose. Generic drugs are generally less expensive than brand name drugs, resulting in higher savings percentages.
- Furthermore, this analysis does not reflect the special pricing arrangements some manufacturers have with certain discount cards after the \$600 in transitional assistance is spent. If all of these lower pricing arrangements could be captured, the savings would be higher than our analysis indicates for many drugs. These special pricing arrangements include, for example, no cost drugs (other than a pharmacy dispensing fee) or low, flat, copay arrangements (e.g., \$12-\$15) after the \$600 is exhausted.

¹ We chose a 7-month analysis because low-income beneficiaries may receive discounts and transitional assistance for 7 months (June-December) in 2004. Unused transitional assistance funds from 2004 may be used in 2005.

Taken together, these new sources of savings may lead to thousands of dollars in savings this year and next through the Medicare-approved drug card program.

The Medicare-approved cards can be especially helpful to low-income beneficiaries who do not have Medicaid coverage of prescription drugs by:

- Offering discounts off retail prices that are, in some instances, deeper than the 11-17 percent savings for brand name drugs and 30-60 percent savings off of generic drugs being offered to non low-income beneficiaries;
- Providing \$600 in each of 2004 and 2005 for the purchase of prescription drugs;
- Having the annual enrollment fee, if any, paid by Medicare;
- Offering some free or low-cost prescription drugs from several manufacturers including Astra Zeneca, Eli Lilly and Company, Merck, Novartis, Pfizer and Wyeth for beneficiaries enrolling in certain Medicare-approved drug discount cards;
- Offering drugs from several manufacturers at low, flat, rates to lower income beneficiaries not eligible for the \$600 credit through certain discount cards;
- Coordinating enrollment in a Medicare-approved drug discount card and State Pharmaceutical Assistance Programs (“SPAPs”).

Preliminary Analysis

To assess what level of savings for low-income beneficiaries can be achieved through Medicare-approved drug discount cards, we conducted two analyses. First, we examined 6 illustrative beneficiaries across the country with incomes at or below 135 percent FPL, each with a different basket of drugs. We examined 6 beneficiaries with incomes over 100 percent but no more than 135 percent FPL (Table 1A). These beneficiaries have a 10 percent coinsurance on each prescription for which transitional assistance is used. We also examined these same beneficiaries assuming they had incomes at or below 100 percent of the FPL and a 5 percent coinsurance (Table 1B). In both cases, we compared the estimated 7-month drug discount card cost to the estimated national average retail cost (adjusted to reflect 7-month costs).

We also conducted a price analysis of 9 individual brand name drugs and 3 generic drugs commonly used by the Medicare population. For each drug, we compared prices (assuming a 7-month supply) for a beneficiary with income over 100 percent FPL but no more than 135 percent FPL (Table 2A) and a beneficiary at or below 100 percent of FPL (Table 2B) to national average retail pharmacy prices (also adjusted to reflect 7-month costs).

As we have indicated in a prior study², the best Medicare-approved discount card prices found on Price Compare are significantly lower than the national average retail pharmacy prices that typical Americans pay -- including both the higher prices paid by cash paying customers and the lower negotiated prices paid by people with insurance coverage. This analysis also includes additional beneficiary savings from (1) the \$600 in transitional assistance available through the Medicare-approved discount drug cards and (2) the lower prices offered to lower income beneficiaries through many Medicare-approved drug discount cards.

The analysis presented in the tables does not reflect the further special pricing arrangements some manufacturers have with certain discount cards after the \$600 in transitional assistance is spent. If all of these lower pricing arrangements could be captured, the savings would be higher than our analysis indicates for many drugs. For example, there are Medicare-approved drug discount cards with some of the best prices for beneficiaries 1, 2, 4, and 5 with offerings from manufacturers of drugs at either no cost (other than a pharmacy dispensing fee) or a low-flat dollar copay (e.g., \$12-\$15). In the case of beneficiary 3, a card is available with a 13 percent discount and an arrangement with a manufacturer to offer one of the drugs at a flat fee of \$15 when the \$600 in transitional assistance is exhausted. The special manufacturer offerings can provide substantial additional savings. As an illustration, for beneficiary 5, one of the special manufacturer offerings results in savings increasing to 88 percent, from the 58.4 percent we found in our analysis.

In this analysis, we compare the best retail price available on Price Compare on May 17, 2004 to national average retail pharmacy prices. A major source of reliable data on retail pharmacy prices currently in the market today is IMS Health's National Prescription Audit *Plus*TM. FDA has used this data source to demonstrate that real savings can be achieved through the use of generic drugs, and our analysis of savings is based on the same national average retail pharmacy prices used in the FDA analysis.³ To illustrate the savings on generics, FDA used data on average U.S. retail prices for brand name drugs and the median average U.S. retail prices among generic manufacturers for generic drugs for the first quarter of 2004. The data were derived from IMS Health's National Prescription Audit *Plus*TM on brick-and-mortar retail pharmacies (i.e. chain, independent and foodstore pharmacies, excluding internet, mail order and long-term care pharmacies). We used the national average retail prices used in the FDA analysis in this analysis as well.

These data represent the full price paid at the pharmacy by both the customer and the insurer, if any.⁴ This measure of average national retail price would generally be lower than the retail prices paid by Medicare beneficiaries without drug coverage because the

² Medicare-Approved Drug Discount Cards Provide Drug Prices Significantly Below Average Paid by Americans: Seniors Can Now Get Lower Prices at their Local Pharmacies, May 6, 2004. The same six illustrative beneficiaries from the May 6, 2004 study are used in this study.

³ FDA website accessed May 3, 2004 at <http://www.fda.gov/cder/consumerinfo/SavingsFromGenericDrugs.pdf>.

⁴ The IMS data is a measure of pharmacy revenues, and does not include the effect of manufacturer rebates, which are generally retrospective.

prices include pharmacy revenues from insurers and third party payers that negotiate lower prices with pharmacies on behalf of their enrollees. If we compared the Price Compare prices to prices paid only by cash paying customers, we would expect to observe larger discounts. We did not have available data on only cash paying customers, but we are exploring options for securing such data and making that comparison. In its calculations, the FDA presented per-day drug costs for a number of commonly used brand and generic drugs. We converted these per day prices to a 30-day prescription price for purposes of comparing to the Price Compare information. We then adjusted both the Price Compare and FDA market basket data in order to make annual comparisons.

The IMS Health data on national average retail pharmacy prices are nationally representative. For calculating the best price under Price Compare, randomly selected zip codes from areas around the country were selected. The analysis did not include repeat searches over multiple geographic areas in order to produce different results. The geographic areas we chose may not be representative of all areas.

Findings

The low-income Medicare beneficiaries in our illustrations could save 29.4 – 77.0 percent on prescription drug purchases over a 7-month period, depending on geographic area and mix of drugs. Beneficiaries with income at or below 100 percent FPL can in some instances save slightly more. Table 1B indicates that beneficiaries with incomes below 100 FPL can save 31.6 percent to 77.0 percent over a 7-month period over national average retail pharmacy prices adjusted to represent a 7-month cost. Three of the six illustrative beneficiaries (at or below 100 percent FPL) showed lower prices for these particular drug baskets than for low-income beneficiaries with slightly higher incomes.

The beneficiary illustrations in Tables 1A and 1B show that low-income beneficiaries can save a significant amount of money over a 7-month period. In addition to discounts that consistently beat the national average retail pharmacy price, the \$600 in transitional assistance gives beneficiaries an added measure of assistance. No longer do low-income beneficiaries without prescription drug insurance have to pay the highest retail prices for needed medications.

Tables 2A and 2B show the 7-month savings attainable for 9 commonly used brand name drugs and 3 commonly used generic drugs. Table 2A indicates that savings over national average retail prices on a 7-monthly supply of individual brand name drugs range from 39.3 percent to 92.4 percent, when the discount and the \$600 transitional assistance is included. Generic drug savings are truly significant, from 92.6 to 94.8 percent over national average retail prices. Table 2B indicates that discounts for individuals with incomes at or below 100 percent FPL are in some instances slightly better for both brand name and generic drugs. The clear majority of brand name drugs and all of the generic drugs in our analysis showed lower prices for the lowest income beneficiaries (100 percent of FPL or lower).

Illustrations

We used the data from the FDA analysis to illustrate potential savings for low-income Medicare beneficiaries in a number of geographic areas. In all of these cases, Medicare would pay the annual enrollment fee, if any. For example:

- A typical person taking Celebrex (osteoarthritis), Zocor (high cholesterol), Paxil (depression), and Norvasc (hypertension) might expect to pay \$2,545.20 over a 7-month period. A low-income Medicare beneficiary residing in Pittsburgh, Pennsylvania could enroll in a Medicare-approved drug discount card and save about 42 percent between June 2004 and December 2004 (7 months). The savings include a discount of about 19 percent and \$600 in transitional assistance.
- A person taking Prinivil (hypertension), Glucophage (diabetes) and Lasix (congestive heart failure) would expect to pay \$913.50 over a 7-month period. A low-income Medicare beneficiary in Orange County, California could enroll in a Medicare-approved drug discount card and save 77 percent over the 7 months. The savings include a discount of 11.3 percent and \$600 of transitional assistance.
- A typical person taking enalapril, a generic medication for hypertension, might expect to pay \$170.10 over 7 months for this medicine. A beneficiary residing in Louisville, Kentucky with income over 100 percent FPL but no more than 135 percent FPL could enroll in a Medicare-approved discount drug card and save about 95 percent over 7 months, including savings from the discount and the transitional assistance. The beneficiary would have several hundred dollars to roll over for use, if necessary, in 2005.
- An individual with osteoarthritis taking Celebrex for osteoarthritis might expect to pay \$636.30 over a 7-month period. A beneficiary with income at or below 100 percent FPL residing in Portland, Oregon could enroll in a Medicare-approved drug discount card and save over 95 percent over 7 months, a savings of over \$609.

TABLE 1A - Low-Income Medicare Beneficiaries' (>100% to < or = 135% FPL) Estimated 7 Month Savings in 2004

Illustrative Medicare Beneficiary/Residence	Conditions	Drugs	Dosing	7 Month Estimated Average National Retail Cost ¹	7 Month Estimated Drug Discount Card Cost ²	7 Month Savings From Discount Only		7 Month Total Savings Including \$600	Total % Savings (Discount & \$600)
						\$	%		
Beneficiary #1									
National	Market Basket Total			\$2,545.20					
Pittsburgh, PA 15122	Market Basket Total				\$2,063.25	\$481.95	-18.9%	\$1,081.95	-42.5%
Portland, OR 97202	Market Basket Total				\$2,091.25	\$453.95	-17.8%	\$1,053.95	-41.4%
	Osteoarthritis	Celebrex	200 mg per day						
	Hypercholesterolemia	Zocor	40 mg per day						
	Depression	Paxil	20 mg per day						
	Hypertension	Norvasc	5 mg per day						
Beneficiary #2									
National	Market Basket Total			\$913.50					
Louisville, KY 40205	Market Basket Total				\$810.11	\$103.39	-11.3%	\$703.39	-77.0%
Orange County, CA 90623	Market Basket Total				\$810.11	\$103.39	-11.3%	\$703.39	-77.0%
	Hypertension	Prinivil	20 mg per day						
	Diabetes	Glucophage	850 mg twice per day						
	Congestive Heart Failure	Lasix	40 mg per day						
Beneficiary #3									
National	Market Basket Total			\$2,234.40					
Boston, MA 02762-Bristol	Market Basket Total				\$1,927.52	\$306.88	-13.7%	\$906.88	-40.6%
Houston, TX 77204	Market Basket Total				\$1,878.94	\$355.46	-15.9%	\$955.46	-42.8%
	Hypertension/mild congestive heart failure	Lisinopril	20 mg per day						
	Coronary artery disease/congestive heart failure	Toprol XL	200 mg per day						
	Hypercholesterolemia	Lipitor	40 mg per day						
	Acid Reflux	Aciphex	20 mg per day						
Beneficiary #4									
National	Market Basket Total			\$3,370.50					
Boise, ID 83714	Market Basket Total				\$2,978.01	\$392.49	-11.6%	\$992.49	-29.4%
Greensboro, NC 27410	Market Basket Total				\$2,978.01	\$392.49	-11.6%	\$992.49	-29.4%
	Schizophrenia	Zyprexa	10 mg per day						
	Hypercholesterolemia	Lipitor	40 mg per day						
	Depression	Zoloft	50 mg per day						
Beneficiary #5									
National	Market Basket Total			\$1,312.50					
Greenville, MS 38731	Market Basket Total				\$1,145.62	\$166.88	-12.7%	\$766.88	-58.4%
Arlington, VA 22202	Market Basket Total				\$1,138.27	\$174.23	-13.3%	\$774.23	-59.0%
	Anticoagulant	Coumadin	2.5 mg per day						
	Osteoarthritis	Vioxx	25 mg per day						
	Osteoporosis	Fosamax	70 mg per week						
Beneficiary #6									
National	Market Basket Total			\$2,690.10					
Clearwater, FL 33767	Market Basket Total				\$2,354.59	\$335.51	-12.5%	\$935.51	-34.8%
Cleveland, OH 44106	Market Basket Total				\$2,354.59	\$335.51	-12.5%	\$935.51	-34.8%
	Diabetes	Glucophage	850 mg twice per day						
	Diabetes	Actos	30 mg per day						
	Hypercholesterolemia	Pravachol	40 mg per day						

(1) Note: CMS computed a monthly 30 day supply based on dosing schedule using the FDA per day estimate based on analysis of IMS Health, National Prescription Audit PlusTM; 1st Quarter 2004; extracted April 2004. Prices are average retail prices (for generic drugs median average retail prices among generic manufacturers was used) in brick-and-mortar pharmacies (i.e. chain, independent and foodstore pharmacies, excluding internet, mail order and long-term care pharmacies) across all payer types (cash-only, Medicaid and other 3rd party payers) for the first quarter of 2004. This monthly supply estimate was then adjusted to reflect 7 month supply estimate.

(2) Data Source: Medicare Price Compare 5/17/04, 30 day supply adjusted to reflect 7 month supply.

TABLE 1B - Low-Income Medicare Beneficiaries' (< or = 100% FPL) Estimated 7 Month Savings in 2004

	Conditions	Drugs	Dosing	7 Month Estimated Average National Retail Cost ¹	7 Month Estimated Drug Discount Card Cost ²	7 Month Savings From Discount Only		7 Month Total Savings Including \$600	Total % Savings (Discount & \$600)
						\$	%		
Beneficiary #1									
National	Market Basket Total			\$2,545.20					
Pittsburgh, PA 15122	Market Basket Total				\$2,063.25	\$481.95	-18.9%	\$1,081.95	-42.5%
Portland, OR 97202	Market Basket Total				\$2,091.25	\$453.95	-17.8%	\$1,053.95	-41.4%
	Osteoarthritis	Celebrex	200 mg per day						
	Hypercholesterolemia	Zocor	40 mg per day						
	Depression	Paxil	20 mg per day						
	Hypertension	Norvasc	5 mg per day						
Beneficiary #2									
National	Market Basket Total			\$913.50					
Louisville, KY 40205	Market Basket Total				\$810.11	\$103.39	-11.3%	\$703.39	-77.0%
Orange County, CA 90623	Market Basket Total				\$810.11	\$103.39	-11.3%	\$703.39	-77.0%
	Hypertension	Prinivil	20 mg per day						
	Diabetes	Glucophage	850 mg twice per day						
	Congestive Heart Failure	Lasix	40 mg per day						
Beneficiary #3									
National	Market Basket Total			\$2,234.40					
Boston, MA 02762-Bristol	Market Basket Total				\$1,878.94	\$355.46	-15.9%	\$955.46	-42.8%
Houston, TX 77204	Market Basket Total				\$1,878.94	\$355.46	-15.9%	\$955.46	-42.8%
	Hypertension/mild congestive heart failure	Lisinopril	20 mg per day						
	Coronary artery disease/congestive heart failure	Toprol XL	200 mg per day						
	Hypercholesterolemia	Lipitor	40 mg per day						
	Acid Reflux	Aciphex	20 mg per day						
Beneficiary #4									
National	Market Basket Total			\$3,370.50					
Boise, ID 83714	Market Basket Total				\$2,904.65	\$465.85	-13.8%	\$1,065.85	-31.6%
Greensboro, NC 27410	Market Basket Total				\$2,904.65	\$465.85	-13.8%	\$1,065.85	-31.6%
	Schizophrenia	Zyprexa	10 mg per day						
	Hypercholesterolemia	Lipitor	40 mg per day						
	Depression	Zoloft	50 mg per day						
Beneficiary #5									
National	Market Basket Total			\$1,312.50					
Greenville, MS 38731	Market Basket Total				\$1,145.62	\$166.88	-12.7%	\$766.88	-58.4%
Arlington, VA 22202	Market Basket Total				\$1,138.27	\$174.23	-13.3%	\$774.23	-59.0%
	Anticoagulant	Coumadin	2.5 mg per day						
	Osteoarthritis	Vioxx	25 mg per day						
	Osteoporosis	Fosamax	70 mg per week						
Beneficiary #6									
National	Market Basket Total			\$2,690.10					
Clearwater, FL 33767	Market Basket Total				\$2,303.56	\$386.54	-14.4%	\$986.54	-36.7%
Cleveland, OH 44106	Market Basket Total				\$2,303.56	\$386.54	-14.4%	\$986.54	-36.7%
	Diabetes	Glucophage	850 mg twice per day						
	Diabetes	Actos	30 mg per day						
	Hypercholesterolemia	Pravachol	40 mg per day						

(1) Note: CMS computed a monthly 30 day supply based on dosing schedule using the FDA per day estimate based on analysis of IMS Health, National Prescription Audit PlusTM; 1st Quarter 2004; extracted April 2004. Prices are average retail prices (for generic drugs median average retail prices among generic manufacturers was used) in brick-and-mortar pharmacies (i.e. chain, independent and foodstore pharmacies, excluding internet, mail order and long-term care pharmacies) across all payer types (cash-only, Medicaid and other 3rd party payers) for the first quarter of 2004. This monthly supply estimate was then adjusted to reflect 7 month supply estimate.

(2) Data Source: Medicare Price Compare 5/17/04, 30 day supply adjusted to reflect 7 month supply estimate.

Table 2A - Low-Income Medicare Beneficiaries' (>100% to < or = 135% FPL) Estimated 7 Month Savings in 2004 on Individual Drugs

Conditions	Drugs	Dosing	7 Month Estimated Average National Retail Cost ¹	7 Month Estimated Drug Discount Card Cost ²	7 Month Savings From Discount Only		7 Month Total Savings Including \$600	Total % Savings (Discount & \$600)
					\$	%		
	Brand Drugs							
Acid reflux	Aciphex	20 mg per day	\$951.30					
	Portland, OR 97202			\$802.76	\$148.54	-15.6%	\$748.54	-78.7%
	Louisville, KY 40205			\$786.10	\$165.20	-17.4%	\$765.20	-80.4%
	Greenville, MS 38731			\$803.81	\$147.49	-15.5%	\$747.49	-78.6%
Diabetes	Actos	30 mg per day	\$1,144.50					
	Portland, OR 97202			\$965.23	\$179.27	-15.7%	\$779.27	-68.1%
	Louisville, KY 40205			\$965.23	\$179.27	-15.7%	\$779.27	-68.1%
	Greenville, MS 38731			\$974.89	\$169.61	-14.8%	\$769.61	-67.2%
Osteoarthritis	Celebrex	200 mg per day	\$636.30					
	Portland, OR 97202			\$537.53	\$98.77	-15.5%	\$582.55	-91.6%
	Louisville, KY 40205			\$537.53	\$98.77	-15.5%	\$582.55	-91.6%
	Greenville, MS 38731			\$565.53	\$70.77	-11.1%	\$579.75	-91.1%
Depression	Paxil	20 mg per day	\$615.30					
	Portland, OR 97202			\$528.85	\$86.45	-14.1%	\$562.42	-91.4%
	Louisville, KY 40205			\$526.47	\$88.83	-14.4%	\$562.65	-91.4%
	Greenville, MS 38731			\$528.92	\$86.38	-14.0%	\$562.41	-91.4%
High Cholesterol	Pravachol	40 mg per day	\$955.50					
	Portland, OR 97202			\$775.95	\$179.55	-18.8%	\$779.55	-81.6%
	Louisville, KY 40205			\$775.95	\$179.55	-18.8%	\$779.55	-81.6%
	Greenville, MS 38731			\$819.91	\$135.59	-14.2%	\$735.59	-77.0%
Coronary artery disease, congestive heart failure	Toprol XL	200 mg per day	\$411.60					
	Portland, OR 97202			\$310.80	\$100.80	-24.5%	\$380.52	-92.4%
	Louisville, KY 40205			\$310.80	\$100.80	-24.5%	\$380.52	-92.4%
	Greenville, MS 38731			\$322.21	\$89.39	-21.7%	\$379.38	-92.2%
Hypertension/ mild congestive heart failure	Zestril	20 mg per day	\$268.80					
	Portland, OR 97202			\$204.40	\$64.40	-24.0%	\$248.36	-92.4%
	Louisville, KY 40205			\$204.40	\$64.40	-24.0%	\$248.36	-92.4%
	Greenville, MS 38731			\$219.73	\$49.07	-18.3%	\$246.83	-91.8%
High Cholesterol	Zocor	40 mg per day	\$953.40					
	Portland, OR 97202			\$687.54	\$265.86	-27.9%	\$865.86	-90.8%
	Louisville, KY 40205			\$680.54	\$272.86	-28.6%	\$872.86	-91.6%
	Greenville, MS 38731			\$739.27	\$214.13	-22.5%	\$814.13	-85.4%
Schizophrenia	Zyprexa	10 mg per day	\$2,049.60					
	Portland, OR 97202			\$1,808.38	\$241.22	-11.8%	\$841.22	-41.0%
	Louisville, KY 40205			\$1,808.38	\$241.22	-11.8%	\$841.22	-41.0%
	Greenville, MS 38731			\$1,844.36	\$205.24	-10.0%	\$805.24	-39.3%
	Generic Drugs							
Hypertension	enalapril	20 mg per day	\$170.10					
	Portland, OR 97202			\$88.20	\$81.90	-48.1%	\$161.28	-94.8%
	Louisville, KY 40205			\$88.20	\$81.90	-48.1%	\$161.28	-94.8%
	Greenville, MS 38731			\$126.00	\$44.10	-25.9%	\$157.50	-92.6%
Hypertension/ mild congestive heart failure	lisinopril	20 mg per day	\$126.00					
	Portland, OR 97202			\$72.52	\$53.48	-42.4%	\$118.75	-94.2%
	Louisville, KY 40205			\$72.52	\$53.48	-42.4%	\$118.75	-94.2%
	Greenville, MS 38731			\$81.69	\$44.31	-35.2%	\$117.83	-93.5%
Coronary artery disease, congestive heart failure	metoprolol tartrate	200 mg per day	\$172.20					
	Portland, OR 97202			\$108.22	\$63.98	-37.2%	\$161.38	-93.7%
	Louisville, KY 40205			\$108.22	\$63.98	-37.2%	\$161.38	-93.7%
	Greenville, MS 38731			\$108.22	\$63.98	-37.2%	\$161.38	-93.7%

1) Note: CMS computed a monthly 30 day supply based on dosing schedule using the FDA per day estimate based on analysis of IMS Health, National Prescription Audit Plus™; 1st Quarter 2004; extracted April 2004. Prices are average retail prices (for generic drugs median average retail prices among generic manufacturers was used) in brick-and-mortar pharmacies (i.e. chain, independent and foodstore pharmacies, excluding internet, mail order and long-term care pharmacies) across all payer types (cash-only, Medicaid and other 3rd party payers) for the first quarter of 2004. This monthly supply estimate was then adjusted to reflect 7 month supply estimate.

2) Data Source: Medicare Price Compare 5/17/04, 30 day supply adjusted to reflect 7 month supply estimate.

Table 2B - Low-Income Medicare Beneficiaries' (< or = 100% FPL) Estimated 7 Month Savings in 2004 on Individual Drugs

Conditions	Drugs	Dosing	7 Month Estimated Average National Retail Cost ¹	7 Month Estimated Drug Discount Card Cost ²	7 Month Savings From Discount Only		7 Month Total Savings Including \$600	Total % Savings (Discount & \$600)
					\$	%		
Brand Drugs								
Acid reflux	Aciphex	20 mg per day	\$951.30					
	Portland, OR 97202			\$786.10	\$165.20	-17.4%	\$765.20	-80.4%
	Louisville, KY 40205			\$786.10	\$165.20	-17.4%	\$765.20	-80.4%
	Greenville, MS 38731			\$794.01	\$157.29	-16.5%	\$757.29	-79.6%
Diabetes	Actos	30 mg per day	\$1,144.50					
	Portland, OR 97202			\$941.71	\$202.79	-17.7%	\$802.79	-70.1%
	Louisville, KY 40205			\$941.71	\$202.79	-17.7%	\$802.79	-70.1%
	Greenville, MS 38731			\$949.55	\$194.95	-17.0%	\$794.95	-69.5%
Osteoarthritis	Celebrex	200 mg per day	\$636.30					
	Portland, OR 97202			\$537.53	\$98.77	-15.5%	\$609.42	-95.8%
	Louisville, KY 40205			\$537.53	\$98.77	-15.5%	\$609.42	-95.8%
	Greenville, MS 38731			\$565.53	\$70.77	-11.1%	\$608.02	-95.6%
Depression	Paxil	20 mg per day	\$615.30					
	Portland, OR 97202			\$519.89	\$95.41	-15.5%	\$589.31	-95.8%
	Louisville, KY 40205			\$519.47	\$95.83	-15.6%	\$589.33	-95.8%
	Greenville, MS 38731			\$528.85	\$86.45	-14.1%	\$588.86	-95.7%
High Cholesterol	Pravachol	40 mg per day	\$955.50					
	Portland, OR 97202			\$775.95	\$179.55	-18.8%	\$779.55	-81.6%
	Louisville, KY 40205			\$775.95	\$179.55	-18.8%	\$779.55	-81.6%
	Greenville, MS 38731			\$799.61	\$155.89	-16.3%	\$755.89	-79.1%
Coronary artery disease, congestive heart failure	Toprol XL	200 mg per day	\$411.60					
	Portland, OR 97202			\$310.80	\$100.80	-24.5%	\$396.06	-96.2%
	Louisville, KY 40205			\$310.80	\$100.80	-24.5%	\$396.06	-96.2%
	Greenville, MS 38731			\$317.10	\$94.50	-23.0%	\$395.75	-96.1%
Hypertension/ mild congestive heart failure	Zestril	20 mg per day	\$268.80					
	Portland, OR 97202			\$204.40	\$64.40	-24.0%	\$258.58	-96.2%
	Louisville, KY 40205			\$204.40	\$64.40	-24.0%	\$258.58	-96.2%
	Greenville, MS 38731			\$217.21	\$51.59	-19.2%	\$257.94	-96.0%
High Cholesterol	Zocor	40 mg per day	\$953.40					
	Portland, OR 97202			\$687.54	\$265.86	-27.9%	\$865.86	-90.8%
	Louisville, KY 40205			\$680.54	\$272.86	-28.6%	\$872.86	-91.6%
	Greenville, MS 38731			\$715.19	\$238.21	-25.0%	\$838.21	-87.9%
Schizophrenia	Zyprexa	10 mg per day	\$2,049.60					
	Portland, OR 97202			\$1,753.57	\$296.03	-14.4%	\$896.03	-43.7%
	Louisville, KY 40205			\$1,753.57	\$296.03	-14.4%	\$896.03	-43.7%
	Greenville, MS 38731			\$1,828.68	\$220.92	-10.8%	\$820.92	-40.1%
Generic Drugs								
Hypertension	enalapril	20 mg per day	\$170.10					
	Portland, OR 97202			\$88.20	\$81.90	-48.1%	\$165.69	-97.4%
	Louisville, KY 40205			\$88.20	\$81.90	-48.1%	\$165.69	-97.4%
	Greenville, MS 38731			\$126.00	\$44.10	-25.9%	\$163.80	-96.3%
Hypertension/ mild congestive heart failure	lisinopril	20 mg per day	\$126.00					
	Portland, OR 97202			\$72.52	\$53.48	-42.4%	\$122.37	-97.1%
	Louisville, KY 40205			\$72.52	\$53.48	-42.4%	\$122.37	-97.1%
	Greenville, MS 38731			\$80.64	\$45.36	-36.0%	\$121.97	-96.8%
Coronary artery disease, congestive heart failure	metoprolol tartrate	200 mg per day	\$172.20					
	Portland, OR 97202			\$100.66	\$71.54	-41.5%	\$167.17	-97.1%
	Louisville, KY 40205			\$100.66	\$71.54	-41.5%	\$167.17	-97.1%
	Greenville, MS 38731			\$108.22	\$63.98	-37.2%	\$166.79	-96.9%

(1) Note: CMS computed a monthly 30 day supply based on dosing schedule using the FDA per day estimate based on analysis of IMS Health, National Prescription Audit Plus™, 1st Quarter 2004; extracted April 2004. Prices are average retail prices (for generic drugs median average retail prices among generic manufacturers was used) in brick-and-mortar pharmacies (i.e. chain, independent and foodstore pharmacies, excluding internet, mail order and long-term care pharmacies) across all payer types (cash-only, Medicaid and other 3rd party payers) for the first quarter of 2004. This monthly supply estimate was then adjusted to reflect 7 month supply estimate.

(2) Data Source: Medicare Price Compare 5/17/04, 30 day supply adjusted to reflect 7 month supply estimate.