



Medicare: Today's Issue

February 6, 2004

BETTER BENEFITS – MORE CHOICES

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

Medicare Experiences High Response from Companies to Sponsor Approved Drug Discount Cards

- ❖ The Medicare-endorsed Prescription Drug Discount Card program is part of the new comprehensive Medicare Modernization Act signed into law last December. The Centers for Medicare and Medicaid Services has received an **enthusiastic response of 106 applications from companies to offer Medicare-approved discount drug cards** to beneficiaries beginning in June.
- ❖ These **money-saving drug cards** will provide beneficiaries with the confidence of a Medicare approved product. Especially important for low-income beneficiaries and people with disabilities, the drug cards will **begin delivering savings this year**, while the new prescription drug benefit is being put into place.
- ❖ Medicare expects to announce endorsed drug card sponsors in early spring, and Medicare beneficiaries will be able to begin enrolling in Medicare-endorsed card programs in early May. CMS is currently reviewing the applications.
- ❖ The level of interest from the numerous companies and organizations applying to be potential drug card sponsors demonstrates commitment to the new program and a commitment to providing much-needed discounts to beneficiaries.
- ❖ The purchasing power behind the Medicare population is expected to save beneficiaries **an average of 10 to 15 percent** off their overall drug spending, and as much as 25 to 30 percent off the retail price of some 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.
- ❖ There are two basic types of cards that will be available to Medicare beneficiaries – one for any qualifying beneficiary who lives in the service area covered by the card, and one only for enrollees in Medicare Advantage plans. About half of the applications received are for the first type of card and about half of those are proposing to offer a card nationwide. The remaining applications are for card programs for Medicare Advantage enrollees and would cover only the plans' service areas.