



Medicare: Today's Issue

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BETTER BENEFITS – MORE CHOICES

\$600 CREDIT AND DISCOUNTS COMBINE TO GIVE LOW-INCOME MEDICARE BENEFICIARIES SIGNIFICANT DISCOUNTS ON PRESCRIPTION DRUGS

Sign Up in May for Discounts Beginning June 1

CMS Released the Following Information in a Press Release Yesterday

- ❖ Seven million Medicare beneficiaries who are eligible for low-income transitional assistance and additional discounts can see very large savings on their prescription drugs through their Medicare-Approved Drug Discount Cards. The Centers for Medicare & Medicaid Services reports that Medicare beneficiaries with low incomes could save between 29 and 77 percent on the price of their brand name drugs and as much as 92 percent on generic drugs over the next seven months.
- ❖ CMS also announced several new customer service enhancements to meet the continuing high demand for information on how to get the most out of this new program including adding more 1-800-MEDICARE operators, new training for operators, voice messages to help speed up the process and refinements to www.medicare.gov to improve information searches.
- ❖ “Seniors and people with disabilities with limited incomes will be able to see big savings of between 29 and 77 percent on brand drugs and up to 92 percent on generics when they combine the lower prices they will be paying for their medicines with the \$1200 credit available to them over the next year and a half,” Health and Human Services Secretary Tommy G. Thompson said. “This means for low-income beneficiaries now is the time to sign up for a discount card to get the most out of the discounts available.”
- ❖ “It’s especially important for beneficiaries with low incomes who are struggling with the costs of drugs and other basic necessities to find out about the Medicare-approved drug cards and enroll soon,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “By combining the \$600 credit with the drug discounts, plus additional drug discounts on many medications, seniors and people with disabilities who need help the most will see big savings. And enrollment is free.”
- ❖ All people with Medicare who do not receive prescription drug coverage through Medicaid are eligible for a Medicare-Approved Drug Discount Card. Medicare beneficiaries whose incomes are below 135 percent of the federal poverty limit (\$12,569 for singles and \$16,862 for married couples) are eligible for the \$600 credit. The savings of 29 to 77 percent off the average retail price for name brand drugs can be realized when Medicare beneficiaries combine the lower cost drugs with the \$600 credit. By using both the drug discount cards and the \$600 credit, seniors and people with disabilities can see savings of as much as 92 percent for generic drugs, which are generally less expensive.

- ❖ The drug discount cards can be especially helpful to these beneficiaries who do not have drug coverage through Medicaid by:
 - Offering additional discounts off retail prices that are, in some instances, more than the 11-17 percent for brand name drugs and 30-60 percent 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 free or low-cost prescription drugs from several manufacturers including Abbott, Astra Zeneca, Eli Lilly and Company, Merck, Novartis, Pfizer and Wyeth for beneficiaries enrolling in certain Medicare-approved drug discount cards who exhaust their \$600 credit;
 - Coordinating enrollment in a Medicare-approved drug discount card and State Pharmaceutical Assistance Programs (“SPAPs”).

- ❖ Approximately 20 states have existing state programs that provide drug benefits to low-income beneficiaries and another 12 states have discount cards. Many of these beneficiaries will be eligible for the \$600 credit. Four states provide drug coverage in partnership with CMS through Medicaid “Pharmacy Plus” programs, but because this is Medicaid coverage, these individuals will not be eligible for the drug card. Beneficiaries can obtain information on more than 100 such manufacturer programs through 1-800-MEDICARE or www.medicare.gov.

- ❖ Medicare has taken many steps to help lower-income beneficiaries find out about and enroll in the discount card program. Using the “autoenrollment” process set up by CMS, beneficiaries in seven states will see their discounts and \$600 credit take effect as early as June 1. Auto-enrollment allows those state-funded pharmacy assistance programs to enroll the beneficiaries into the drug card as the authorized representative.

- ❖ States that are already planning to automatically enroll people with Medicare in a Medicare-approved drug discount card include Connecticut, Maine, Michigan, New Jersey, New York, Pennsylvania and Massachusetts. Illinois and Nevada are considering auto-enrollment and, because they do not have the authority to serve as authorized representatives, Ohio and Rhode Island are helping beneficiaries enroll in a drug discount card. Illinois is enrolling residents with disabilities who are at and below 135 percent of the federal poverty level because those individuals are not enrolled in the state’s Pharmacy Plus program.

- ❖ CMS is working closely with additional states to help their pharmacy assistance program beneficiaries enroll in Medicare-approved cards. The additional \$600 may reduce out-of-pocket payments for such beneficiaries, and/or allow states to assist more beneficiaries at a lower cost.

- ❖ To ensure that people with Medicare are not enrolled against their choice, CMS has provided guidance to states on explaining its actions and the Medicare-Approved Drug Discount Cards to the beneficiary. Individuals must be given an opportunity to decline the enrollment.

- ❖ In addition, CMS is working closely with state health insurance assistance programs (SHIPs) and other community-based organizations to reach out to people with Medicare who are eligible for the \$600 credit. The Social Security Administration sent millions of letters to Medicare beneficiaries. In addition, CMS has provided enrollment forms for the Medicare-approved drug discount cards for use by State Health Insurance Assistance Programs (SHIPs), and other partners and organizations that assist beneficiaries with their health care decisions. The standard forms are available at www.medicare.gov and www.cms.hhs.gov/discountdrugs/forms/ and by a variety of other means. Instructions for using this form as well as access to the information needed to complete it are also included.

- ❖ “There are some simple steps to find out how to get the most out of the Medicare-approved drug card program,” said Dr. McClellan. “All you need to do is call 1-800-MEDICARE or visit www.medicare.gov on the Internet. By starting with your zip code and list of the drugs you take, you can find which card best fits your needs and is honored at your local drug store. And we are taking new steps to make it as easy as possible for beneficiaries to get the facts they need.”
- ❖ Medicare is expanding its phone and website support to assure that the many beneficiaries interested in the Medicare-approved program can get the timely assistance they need, anytime day or night. Based on suggestions from beneficiaries, advocates, and others, Medicare has recently made improvements in its 800 number support and to the Medicare website. For example, CMS has quadrupled the number of customer service operators from 400 to more than 2000 (note increase recently announced by CMS) and will be adding as many more as needed in the next couple of weeks to handle the unprecedented number of callers timely and effectively. CMS has added voice messages to help callers be better prepared when they reach a customer service representative and provided self-service information in the interactive voice response system so callers can get information to address their questions without needing to speak with a customer service representative. And CMS has developed additional tools to help customer service representatives use “best practices” to work more efficiently -- reducing the call handle time significantly and allowing the representatives to serve more callers more quickly.
- ❖ CMS is also making it easier to navigate and use the information on www.medicare.gov based on feedback from consumers, advocates, reporters, and others. CMS is expanding the drug entry list – a large and growing “dictionary” of drug names and providing instructions to users that they can “add another drug” if they do not find their drug on the initial drug entry screens. Further improvements are being made to the drug and dosage entry screens and will be place in the next few weeks. CMS is also continuing to work with the card sponsors to help consumers get consistent information whether they visit www.medicare.gov or the sponsor websites.
- ❖ “We are committed to getting people with Medicare the information they need to choose and use the Medicare approved discount cards,” said Dr. McClellan. “We encourage everyone to keep using the site and 1-800-MEDICARE so that we can make sure that those people with the greatest need are signing up for a Medicare approved prescription drug card and the \$600 credit.”

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