



BETTER BENEFITS – MORE CHOICES

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

Improvements to 1-800-MEDICARE and www.Medicare.gov

**Statement of Mark B. McClellan, M.D., Ph.D., Administrator,
Centers for Medicare and Medicaid Services**

- ❖ The Medicare-Approved Discount Drug Card Program takes **three unprecedented steps to help beneficiaries lower their drug costs right away:**
 - First, it **allows beneficiaries without good drug coverage to band together in groups to negotiate lower prices from drug manufacturers**, just like individuals enrolled in public and private insurance plans can do when they enroll in their plans (typically for a year). Unlike typical pharmacy discount cards, which provide a small pharmacy discount only, **Medicare-approved cards are required to negotiate discounts from drug manufacturers and pass them on to beneficiaries.**
 - Second, for the first time ever, **beneficiaries will have access to information on actual prices they'll pay for the prescription drugs they need** - not some theoretical discount that is harder for seniors or people with disabilities to judge against the drug costs they are actually facing today. The result is savings that can help with the high cost of prescription drugs: **recent studies of the Medicare-approved cards show savings on brand-name of 11 to 18 percent below average retail prices paid by all Americans** (including those with public or private insurance that gives them additional discounts), **savings on generic drugs of 30 to 60 percent or more below average retail prices, and even larger savings on mail-order drugs** - savings that generally compare favorably with the best prices available from U.S. Internet pharmacies.
 - Third, **seven million low-income beneficiaries can get additional discounts and a \$600 credit this year and next year on their drug card.**
- ❖ The Centers for Medicare & Medicaid Services intends **to make it as easy as possible for all of our beneficiaries to find out about the program and make an informed decision** about a Medicare-approved drug card. We have been working closely with the drug card sponsors, advocates, experts, and other interested organizations to make sure that **1-800-MEDICARE and www.medicare.gov provide the best, most reliable, and most timely information personalized to the different needs of our beneficiaries.**

- ❖ To get help quickly, beneficiaries (or those who work with them) who contact us should be ready to give us their zip code, their drugs and doses, and income (if they think they may qualify for the additional low-income assistance). Beneficiaries who have other special preferences, such as a particular pharmacy, a particular card or cards, or low-fee or no-fee cards can tell us about that as well. **We will then provide the seniors or people with disabilities with the personalized information they need, a simple two-page enrollment form, and more help if necessary.** Hundreds of thousands of beneficiaries have received this information since the program was launched several weeks ago - through our 1-800 number, through our website, and by working with State Health Insurance Assistance Plans (SHIPs) and other senior assistance programs around the country.

- ❖ The initial days of operation for this new program were extraordinarily busy times for us. **During the first few days of May, we averaged 400,000 calls to 1-800-MEDICARE each day. This is an extraordinary call volume for one week, particularly when you consider that we had 6 million calls the ENTIRE YEAR of 2003.** As a result, many callers could not get through, some calls were dropped, and many beneficiaries could not get the information they needed in a timely way - all of which are unacceptable under our high customer service standards in Medicare. Even with this unprecedented level of interest, **we are committed at 1-800-MEDICARE to provide service that reliably gets customers the help they need in a matter of minutes.**

- ❖ And so we have worked quickly to improve. At 1-800-MEDICARE, **we tripled the number of customer service operators from 400 to more than 1,400 available by last week.** In recent days, **we added another 600 customer service staff, and we expect to add many more trained representatives in the next couple of weeks to handle the unprecedented number of callers in a timely and effective manner.** We've also **taken steps to reduce the time that our customers have to wait when they call,** by adding voice messages that can help callers to be better prepared when they reach a customer service representative. We have also provided self-service information in our interactive voice response system so callers can get information to address their questions without needing to speak with a customer service representative. And we have developed additional tools to help our customer service representatives use "best practices" to work more efficiently -- reducing our call handle time significantly and allowing our representatives to serve more callers more quickly.

- ❖ To help callers and web visitors who have trouble matching up their medicines with the discount information, **we have added a drug lookup feature to assist with the spelling of their drug names and we are expanding our drug entry list** - a large and growing "dictionary" of drug names. In the interim, **we have also provided instructions to users on how they can "add another drug" if they do not find their drug on our initial drug entry screens.** And for beneficiaries who use non-oral drugs, we are working to improve our standards for entry of dosage/frequency information. There are many different types of non-oral delivery systems (inhalers, transdermal patches, creams, eye drops, etc). These create unique challenges for designing a consumer friendly way to specify dosage (such as an eye drop prescription that is priced at a per milliliter level, requiring us to translate from the milliliters per month the consumer is using in order to compute an accurate monthly price). Further improvements to the drug and dosage entry screens will be place in the next few weeks. **We are committed to continuing improvements to the site navigation and functionality based on feedback from all of our users.**

- ❖ As a result, we are achieving much better support results - the kind of results our beneficiaries deserve and expect. **We are tracking our call center wait times and call times, and we are reaching the balance we want between calls and caller support.** This week, during our busiest times of the day, the wait times were from 4 to 15 minutes (and we are advising beneficiaries about approximate wait times), and at many times the waits have been even less.

- ❖ **We are working with card sponsors to ensure that the prices they have submitted to us for posting on the website are prices they can guarantee to beneficiaries at the included participating pharmacies.** We believe the information now on the website reflects just that, and we have also taken new steps to make sure that **Medicare and the HHS Office of the Inspector General can take effective enforcement actions against cards that don't live up to their promises.** It is worth noting that **sponsors may often be able to provide even larger discounts than the assured discounts listed by Medicare,** and on their own web site and help line, they may consequently display the typical discounted price for a drug rather than the highest price that a consumer will pay. Over the coming weeks, we will continue to work with the card sponsors to help consumers get consistent information whether they visit www.medicare.gov or the sponsor websites. But in the meantime, we remain **committed to our requirement that beneficiaries must pay no more than the discounted price listed by Medicare.**

- ❖ The first days of a major new program are a time of learning, and what we have seen is that **millions of seniors and people with disabilities are very interested in learning about the best ways to save on their drugs.** We have reminded our beneficiaries that they don't need to rush into decisions about Medicare-approved cards - the assistance doesn't begin until June, and **there are no enrollment deadlines or late enrollment penalties.** And **we are doing all we can to reduce those wait times even more, and to provide even better advice** about how our callers can reduce the time they need to spend with us to find out about the program to 15 minutes or less. **By following our simple steps - especially by being ready with your zip code, drugs and doses, and income information - you can get the personalized information you need quickly.**