



BETTER BENEFITS – MORE CHOICES

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

Many Medicare Discount Cards Offer Big Savings for Low-Income Seniors According to New CMS Analysis

- ❖ **More than seven million low-income Medicare beneficiaries** who do not have Medicaid drug coverage could save as much as **86 percent off the cost of their drugs by enrolling in one of the top ten Medicare-approved drug discount cards**, according to a new report from the Centers for Medicare & Medicaid Services (CMS).
- ❖ An analysis conducted by CMS compared savings available this year (June through December) through Medicare-approved drug cards, together with the \$600 credit available to low-income Medicare beneficiaries to the prices paid by average Americans in retail pharmacies. The analysis showed that **low-income persons with Medicare who enrolled in the card programs offering the best prices could save between 32 percent and 86 percent off what they otherwise would have paid**. That could amount to more than \$1,100 over the next seven months, the analysis shows.
- ❖ **Real examples of this kind of savings include Wanda Blackmore and Gladys Cole both of Kansas City. Using her discount card and the \$600 credit, Wanda reduced her monthly bill from \$17 to \$1.70, a savings of 90 percent. Gladys dropped her monthly bill using the card and her \$600 credit from \$120 to less than \$20, a savings of 83 percent.**

“We already knew that the Medicare-approved drug discount cards will offer real savings to seniors,” said Health and Human Services Secretary Tommy G. Thompson. **“Price competition among card sponsors is resulting in even deeper discounts.** When combined with the \$1,200 available to low-income seniors persons with disabilities over the next 18 months, **there is just no question about the great benefits of this program.”**
- ❖ Medicare beneficiaries who do not also have Medicaid are eligible for a Medicare-approved drug discount card. Beneficiaries whose income in 2004 is not more than \$12,569 if single, or no more than \$16,862 if married (including their spouse's income), may qualify for the \$600 credit. For beneficiaries applying for the \$600 credit in 2005, their 2005 income may not exceed 135 percent of the federal poverty line for 2005.
- ❖ There are **three simple things beneficiaries should know when calling 1-800-MEDICARE:**
 1. Their zip code;
 2. Their drugs and dosages (having the bottles in hand can help);
 3. Their monthly income.

- ❖ CMS operators will send a **personalized report that includes a list of the lowest cost cards and the pharmacies where they are accepted with an application** so they can make a decision about which card is best and apply directly to the card sponsor.
- ❖ In conducting the analysis, CMS used six illustrative Medicare beneficiaries who qualify for the \$600 transitional assistance. The findings show that these **low-income beneficiaries could save a significant amount of money on prescription drugs purchased over the seven-month period remaining in this year**, depending on the geographic area in which they live and the mix of drugs they take.
- ❖ **Low-income beneficiaries enrolling in a card offering the best prices can save 32 to 86 percent compared to national average retail prices over a seven-month period** when the \$600 in transitional assistance is factored in.
- ❖ Low-income beneficiaries **enrolling in a card program that is number 10 on the list in terms of best prices still save a substantial amount – 28 to 72 percent for the baskets of commonly used drugs selected.**
- ❖ **Many drug manufacturers** are joining with Medicare-approved drug cards to **offer significant assistance after the \$600 credit is exhausted.**
- ❖ Consequently, even if a limited-income beneficiary enrolls in a Medicare-approved drug discount card that does not have the best prices but instead enrolls in the card that is number 10 on the list, large savings are still possible. **Our illustrative beneficiaries still get savings of as much as 85 percent or more compared to what a typical American would pay when the discounts, the \$600, and the “wraparound” manufacturer assistance is taken into account.** That’s about \$1,100 for a seven-month period.
- ❖ The report is available at <http://www.cms.hhs.gov/media/press/files/realsavings.pdf> (PDF).