

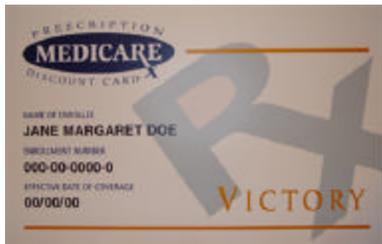
# **THE MEDICARE MODERNIZATION ACT: IMMEDIATE, AFFORDABLE PRESCRIPTION DRUG RELIEF**

## **Background**

For too long, America's seniors and individuals with disabilities have struggled to acquire the medications they so desperately need. Recently signed into law by President George W. Bush, the Medicare Modernization Act (MMA) (Public Law 108-173) will provide prescription drug coverage to over 40 million Medicare beneficiaries for the first time in the program's history. This historic, bipartisan agreement helps lay the foundation for a strong and modern Medicare for today's seniors, as well as tomorrow's seniors.

While the prescription drug benefit does not begin until January 1, 2006, America's seniors and individuals with disabilities can start saving right now. **The law calls for immediate relief from prescription drug costs. Beginning May 3, 2004, Medicare beneficiaries may enroll in a Medicare - approved prescription drug discount card, achieving savings of 10 to 25 percent off the cost of prescription drugs.** The savings will begin June 1, 2004 and last at least until December 31, 2005 when the prescription drug benefit begins.

## **What Is a Medicare -Approved Prescription Drug Discount Card?**



The new Medicare law requires the Centers for Medicare and Medicaid Services (CMS) to implement a prescription drug discount card program, so that Medicare beneficiaries may receive immediate assistance with their prescription drug costs.

- Currently, CMS has approved 28 Medicare sponsors to offer prescription drug discount cards. This number may increase if appeals are approved.

**For beneficiaries living in Tennessee, 18 sponsors will offer Medicare -approved prescription drug discount cards (17 national sponsors , 1 regional sponsor).**

- 27 cards will be available nationally.
  - 3 cards have special Long Term Care Pharmacy endorsements.
- 21 cards will be available regionally.
- 43 sponsors will offer cards to their Medicare Advantage enrollees.

## **How Much Will I Save with a Medicare -Approved Prescription Drug Discount Card?**

The Department of Health and Human Services (HHS) estimates that these cards will provide savings of 10 to 25 percent off the cost of prescription drugs. Discounts will vary by card, pharmacy, and prescription drug. To view the discounts available, you may visit CMS' "Price Compare" website, which becomes active April 29, 2004.

## **Can I Get a Medicare -Approved Prescription Drug Discount Card?**

On May 3, 2004, eligible individuals may begin enrolling in a Medicare-approved prescription drug discount card. To be eligible, an individual must meet the following requirements:

- Enrolled in Medicare Part A and/or Part B
- Does not receive outpatient prescription drug benefits through Medicaid

Those individuals who are enrolled in a State Pharmacy Assistance Program (SPAP) may enroll in a Medicare-approved prescription drug discount card. It is important to note that all Medicare-approved prescription drug discount cards are voluntary. Also, eligible individuals may only be enrolled in one Medicare-approved prescription drug discount card at a time.

### **Do I Qualify for an Additional \$600 Credit to Help Pay for My Prescriptions?**

In order to help with the cost of prescription drugs, the law provides low-income beneficiaries with an additional annual subsidy of \$600. To be eligible for this assistance, individuals must meet the following requirements:

- Enrolled in Medicare Part A and/or Part B
- If you are single, your annual income in 2004 must be no more than \$12,569\*  
If you are married, your annual income in 2004 must be no more than \$16,862\*
- Do not have health care insurance with any outpatient prescription drug coverage (except a Medicare+Choice plan or a Medigap policy)
  - Therefore, those individuals who receive outpatient prescription drug coverage from Medicaid, TRICARE for Life, the Federal Employees Health Benefits Program (FEHBP), or employer-provided health care coverage may not apply for the additional \$600 credit.

\*Please note that these income figures are based on the federal poverty guidelines, which are updated annually by the Department of Health and Human Services (HHS).

### **How Do I Choose a Medicare -Approved Prescription Drug Discount Card?**

**On April 29, 2004, CMS will launch its “Price Compare” website. This web-based comparison tool will assist beneficiaries in choosing a Medicare -approved prescription drug discount card, which best suits their health care needs.** For example, once the beneficiary provides the personal information outlined below, the website will list the card sponsors with participating pharmacies in the specified geographic area, the range of prices offered on the drugs taken by the beneficiary (listed from least to greatest), and the contact information for the card sponsors. Then, the beneficiary may select the cards that interest them the most. He or she will receive a list of the discounted price of each drug at each pharmacy participating in each Medicare-approved card selected.

In order to personalize the information available, beneficiaries will be asked to provide the following information:

- The name of each prescription drug they are taking
- The dosage and frequency of each prescription
- Home zip code
- Additional financial resources (Do **not** include your house, a car, burial plots, furniture, and some life insurance).
- Preferred travel distance to a pharmacy or the name of a preferred pharmacy

All information disclosed will remain confidential and at the option of the beneficiary to supply. However, recommendations will be personalized according to the information provided.

**To enroll in a prescription drug discount card, compare your options, or receive additional information, Medicare beneficiaries should contact CMS.**

- **To contact CMS by phone and walk through your options with a trained CMS staff member, please dial 1-800-MEDICARE (or 1-800-633-4227). TTY users should dial 1-877-486-2048.**
- **To use the CMS website directly, please visit [www.medicare.gov](http://www.medicare.gov) and select “Prescription Drug and Other Assistance Programs.”**