



2004 REACH National Medicare Training Program

Rosie Norris
CMS Region IX
Carolyn Cahn
CMS Region IX
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Session Topics

- Overview
- How to enroll/disenroll
- Choosing the best card for you
- How the cards work
- The \$600 credit
- More information

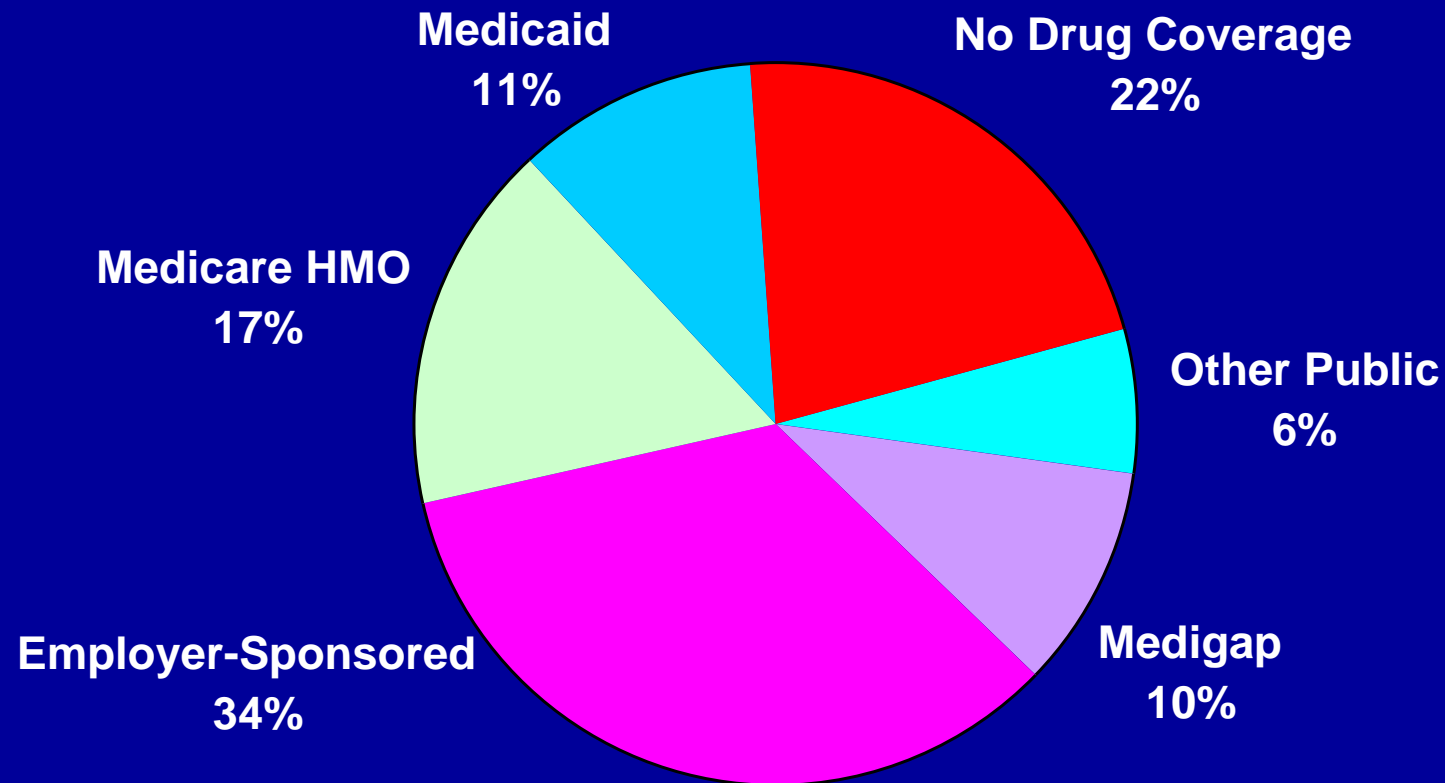
Legislative Overview

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003

- Public Law 108-173
- Signed into law on December 8, 2003

Overview

Sources of Outpatient Prescription Drug Coverage



Total = 38 million non-institutionalized Medicare beneficiaries

SOURCE: MedPAC analysis of Medicare Current Beneficiary Survey, Cost and Use File, 2000.

Overview of Medicare-Approved Drug Discount Cards

- These new discount cards are
 - Voluntary
 - Temporary
 - An important first step
- Discount cards will provide
 - Access to discounts
 - Up to a \$600 credit for certain enrollees who qualify based on income and other drug coverage

\$600 Credit Eligibility

- Entitled to or enrolled in Part A and/or enrolled in Part B
- No other health insurance with prescription drug coverage
 - Except Medicare Advantage plans or Medigap
- Income no more than \$12,569 if single
- Income no more than \$16,862 (combined) if married

Special Endorsement Cards

- Long-term care
 - Residents of nursing homes (SNFs and NFs)
- I/T/U
 - American Indians/Alaska Natives using I/T/U pharmacies
- U.S. territories

Questions

- How to enroll/disenroll
- How to choose the best discount card
- How the new discount cards work
- How to find out about the \$600 credit
- Where to get more information

Enrolling in a Discount Card

- You are eligible if
 - Entitled to or enrolled in Part A and/or enrolled in Part B
- AND
- Not receiving Medicaid outpatient prescription drug coverage at the time of enrolling
- There are no income qualifications
- You may be eligible for up to \$600 credit

Enrolling in a Discount Card

- May enroll in only one Medicare-approved drug discount card at a time
- May enroll in only one Medicare-approved drug discount card during year
- May change discount cards during Coordinated Election Period
 - November 15 through December 31, 2004
 - May choose a different card
 - Effective date will be January 1, 2005

When Can You Join?

- As early as May 3, 2004
 - Effective as early as June 2004
- Must keep that discount card for the rest of the year
 - Exceptions for special election period
 - Move to a state where your card isn't offered
 - Enter or leave a long-term care facility
 - Leave or join a Medicare Managed Care plan
 - Company stops offering that card
 - Exceptional circumstances

Only One Discount Card at a Time

- Can only join one Medicare-approved drug discount card at a time
- May be able to use other discount cards
 - Not Medicare-approved
- If you have residences in more than one state
 - Can still choose only one discount card
 - Make sure discount card is offered in all of the states

Costs

- Each discount card company sets annual enrollment fee
 - Up to \$30
 - Pay entire annual fee no matter when you join
 - New enrollment fee every year
- No fee if you qualify for the \$600 credit
- Can't charge any extra fees
- No monthly fee

Medicare Managed Care Plans

- If your managed care plan doesn't offer a card
 - You can choose any discount card
- If your managed care plan offers an exclusive card for plan members only
 - You can join only this discount card
- If your managed care plan offers a card to others outside the plan
 - You can choose this discount card or any other card offered in your state

Leaving a Discount Card

- Can leave anytime
- Notify the company to tell them why
 - Write or call
- Can choose a new discount card
 - November 15 to December 31, 2004
 - Can use new card January 1, 2005
 - May have to pay annual enrollment fee
 - Automatically disenrolled from old card

Changing Discount Cards

- You can choose a new discount card when
 - You move to a state that doesn't offer your card
 - You enroll in or leave a managed care plan
 - You enter or leave a long-term care facility
 - Company stops offering your discount card
- May have to pay another annual enrollment fee

Think Twice Before Disenrolling

- If you do not qualify for a special election period
 - Will lose any remaining \$600 credit
 - Will have to reapply for the \$600 credit
 - If apply too late in 2005, the credit will be prorated

Questions

- ✓ How to enroll/disenroll
- How to choose the best discount card
- How the new discount cards work
- How to find out about the \$600 credit
- Where to get more information

Questions to Consider

- Which pharmacies do I prefer?
- Will I qualify for the \$600 credit?
- Can I save more than the enrollment fee?
- Do I have other insurance that already covers prescriptions?

Comparing with PDAP

(Prescription Drug and Other Assistance Programs)

- Database tool on www.medicare.gov
- Compares drug prices by drug discount card
- Uses a series of questions
- Personalizes the search results
- Sorts information into intuitive categories

Features of PDAP Database

- Search by drug name
 - Brand name and generic name
- State drug assistance program information
- Information about current Medicare prescription drug coverage
- Information about cost-saving alternatives

Other PDAP Features

- State/community assistance programs
- Medicare health plans
- Pharmaceutical and disease-based assistance programs
- Other programs
 - VA
 - TRICARE For Life (military retirees)
- Links to other resources

Steps to Choosing

- Get information about current drug coverage
- Know the prescriptions you currently take
- Find out which discount cards are available in your area
- Get information on each one and compare
- Decide if you want a discount card
- Choose the one that best meets your needs
- Fill out and send application to the company

Enrollment Process

- Obtain an enrollment form
 - Discount card company
 - SHIP
 - www.medicare.gov
- Submit form via telephone, internet, fax, or mail
- Card effective first day of the following month

Some Questions to Ask

- Determine which card
 - Allows you to use the pharmacy of your choice
 - Offers better prices on prescriptions you take
 - Charges a lower enrollment fee

Special Endorsement Cards

- Long-term care
- I/T/U
- U.S. territories

Long-Term Care Cards

- Three long-term care cards
 - *Community Care Rx*
 - *LTC Card*
 - *PBM Plus Senior Care*
- Benefit
 - Access to \$600 while residing in nursing home

I/T/U Cards

- Reimburse I/T/U pharmacy on behalf of AI/ANs with \$600
- Two I/T/U cards
 - *Criterion Advantage*
 - *Pharmacy Care Alliance Card (Option A)*

I/T/U Cards

- Benefits
 - Expanded choice of pharmacy providers
 - Stretch I/T/U pharmacy's funding

Cards for U.S. Territories

- Four cards for territories
 - Three offered by Advance PCS
 - *RxSavings*
 - *RxSavings* distributed by MCS Life Insurance Company
 - *RxSavings* distributed by Reader's Digest
 - One offered by Walgreens Health Initiatives
 - *Walgreens Health Initiatives Prescription Discount Card*
- Two discount cards guarantee a choice
- Cards offer discounts but no \$600 credit

Questions

- ✓ How to enroll/disenroll
- ✓ How to choose the best discount card
- **How the new discount cards work**
- How to find out about the \$600 credit
- Where to get more information

Medicare-Approved Drug Discount Card Companies

- Companies applied to Medicare to offer discount card
- Discount card companies must meet Medicare standards
- Card must be available to every person with Medicare who is eligible in the state

The Medicare-Approved Seal

- Approved companies
 - Must sign a contract with CMS
 - Can market and label card as "Medicare-Approved"
- Companies offering the discount card will
 - Publicize information
 - Inform beneficiaries about Medicare-funded subsidies
 - Provide up to a \$600 credit to eligible low-income enrollees

The Medicare-Approved Seal



How the Discount Cards Work

- The private companies will decide
 - Pharmacy networks
 - Which drugs will be discounted
 - Pricing for the drugs they offer
- More than one discount card may cover the same drug
- Costs for the drug may be different with each card
- Some cards may not offer discounts on all the drugs you take
- Compare each discount card to see which one best meets your needs

Discount Drug List

- The list of drugs covered by a discount card
- You may get a lower price only on drugs on this list
- A company can change
 - Its discount drug list
 - The discounted prices
- Company will give information about changes
 - You can call the company and ask
 - Changes will be on company's website
 - Each company will have a toll-free number

Covered Drugs

- Many prescription drugs will be discounted
 - Depends on use of a discount list
- Insulin and supplies associated with its injection are included as covered drugs
- \$600 credit can be used to purchase any covered drugs
 - Including drugs not on list
- Cards **may** offer discounts on non-prescription drugs
 - Except for insulin, cannot use the \$600 credit on non-prescription drugs

Available Discounts

- Companies will decide
 - Which prescription drugs will be discounted
 - Dollar amount of the discount
- You may get a better price if you
 - Choose a generic drug instead of a brand name drug
 - Get your prescription drugs through the mail
- Only drugs on *discount drug list* will be discounted
- Different drugs may be discounted at different rates

Drug Card Marketing

- Discount card companies
 - May advertise by TV, radio, newspaper, or direct mail
 - May not conduct cold-calls
 - May not market other products with Medicare-approved drug discount card

Potentially Fraudulent Activities

- If telemarketers selling Medicare-approved drug discount cards call you
 - Possibly a scam
 - Don't give bank account or credit card numbers
 - Don't give Medicare numbers
 - Report to Inspector General
 - 800-HHS-TIPS (1-800-447-8477)

Questions

- ✓ How to enroll/disenroll
- ✓ How to choose the best discount card
- ✓ How the new discount cards work
- How to find out about the \$600 credit
- Where to get more information

Qualifying for \$600 Credit

- 2004: \$600 credit
- 2005: Up to \$600 credit depending on when you apply
- All three conditions apply
 1. Must be entitled to or enrolled in Part A and/or enrolled in Part B
 2. Must not have other prescription drug coverage
 3. Must meet certain income requirements

Qualifying for the \$600 Credit

- Income requirements
 - At or below 135% of Federal poverty level

Limits for 2004

Single	\$12,569
Married	\$16,862

- New levels available in February 2005
 - Higher amounts for Alaska and Hawaii
- Resources are not counted
- Need not have high drug costs

\$600 Credit Ineligibility

- Can't get \$600 credit if you have health insurance with outpatient drug coverage
 - Medicaid
 - TRICARE for Life
 - Private group health plan
 - Employer group health plan
 - Federal Employee Health Benefit Plan
- May be eligible if coverage is from Medicare Advantage plan or Medigap policy

Applying for the \$600 Credit

- Call company offering discount card for enrollment form
- Fill out and sign enrollment form
- Send it to the company
- Company will send the information to Medicare
- Medicare will see if you meet the requirements
- Can reapply if your circumstances change

The \$600 Credit

- Can use \$600 credit for most prescription drugs
 - Even those not on the discount drug list
- Discount provided through the discount card
 - No filing claims
- Will still pay coinsurance
 - 5% or 10% depending on income
- Medicare will pay annual enrollment fee

\$600 Credit and Special Endorsement Cards

- Long-term care
 - \$600 credit applied to cost of drugs while you are in a nursing home
 - Balance of credit goes with you when discharged
- I/T/U
 - \$600 credit applied to cost of drugs purchased at I/T/U pharmacies
 - IHS pharmacies reimbursed by amount of credit used

\$600 Credit in 2004

- Can apply for \$600 credit anytime
- Will get full \$600 credit if eligible
- Can carry remaining 2004 credit into 2005
- Don't have to reapply for \$600 credit in 2005

\$600 Credit Remaining Funds

- Carryover from 2004 to 2005 will occur if
 - You keep the same discount card
 - You permanently move to a state where your discount card isn't offered
 - You enter or leave a long-term care facility
 - You join or leave a Medicare Managed Care plan
 - The company stops offering your discount card

\$600 Credit Remaining Funds

- Carryover from 2005 to 2006 will occur if
 - You keep the same discount card
 - You change cards for any reason listed on the previous slide

\$600 Credit in 2005

If you join between	You will get
Jan. 1 - March 31, 2005	\$600 credit
April 1 - June 30, 2005	\$450 credit
July 1 - Sept. 30, 2005	\$300 credit
Oct. 1 – Dec. 31, 2005	\$150 credit

State Pharmacy Assistance Programs (SPAPs)

- Approximately 20 states operate an SPAP
- Funded without Federal dollars
- SPAP options for Medicare-approved drug discount card
 - Members can be enrolled in both and encouraged to use \$600 credit first
 - Can pay co-insurance through SPAP
 - Can cover enrollment fee for those above 135% of FPL

Reconsideration

- Can request reconsideration if denied for
 - Discount card
 - \$600 credit
- For reconsideration
 - May be asked for new information
 - Have right to provide additional evidence
 - Will receive final eligibility determination from independent review entity

Questions

- ✓ How to enroll/disenroll
- ✓ How to choose the best discount card
- ✓ How the new discount cards work
- ✓ How to find out about the \$600 credit
- Where to get more information

For More Information

- Visit www.medicare.gov
- Call 1-800-MEDICARE (1-800-633-4227)
 - TTY 1-877-486-2048
- Read CMS Publication 11062
 - *Guide to Choosing a Medicare-Approved Drug Discount Card*
- Talk to a SHIP counselor
 - Phone number in *Medicare & You* handbook
- Visit www.cms.hhs.gov

Let's see how these discount
cards work...

Meet *Margaret*

- 68 years old
- Only income is Social Security (\$7,800/yr.)
- Has limited resources
- Only health insurance is Medicare
- Takes prescription drugs for
 - Arthritis
 - Mild hypertension
- Spends \$150 per month on drugs

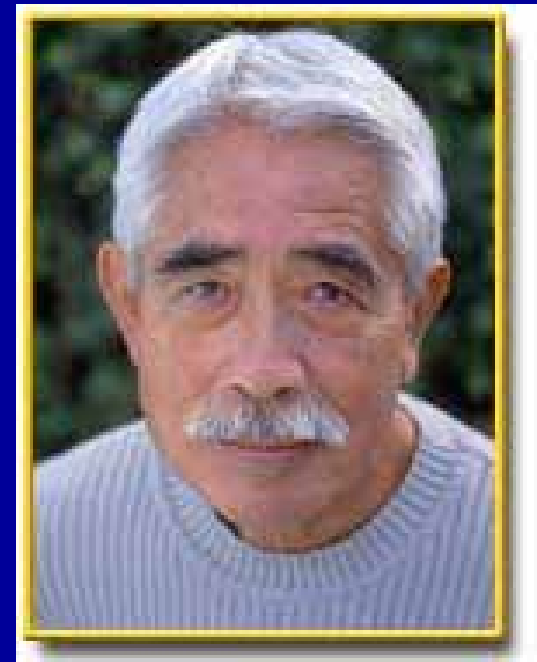


Margaret Gets More Information

- Calls 1-800-MEDICARE (1-800-633-4227)
- Explains her situation
- Is referred to her state Medicaid agency
- Completes forms
- Qualifies for Medicaid
- Lowers her costs for health care

Meet Roberto

- 72 years old
- Has retirement plan and Social Security (\$30,000/yr.)
- Only health insurance is Medicare
- Takes prescription drugs for
 - Arthritis
 - Hypertension
 - Diabetes
 - High cholesterol
- Spends \$400 per month



Roberto Gets More Information

- Visits www.medicare.gov
- Uses PDAP
- Learns about help paying for prescription drugs
- Signs up for a Medicare-approved drug discount card
- Pays \$30 annual enrollment fee
- Saves \$55 per month with discount card

Meet Ruth

- Turned 65 last month
- Only income is Social Security (\$12,000/yr.)
- Only health insurance is Medicare
- Takes prescription drugs for
 - Asthma
 - Osteoporosis
- Spends \$85 per month



Ruth Gets More Information

- Calls her SHIP counselor
- Signs up for a Medicare-approved drug discount card
- Gets \$600 credit to help pay for prescription drugs

Meet Anna

- Turned 70 last month
- Has Trust income and Social Security (\$12,000/yr.)
- Receives health services from Indian Health Service
- Takes prescription drugs for
 - Asthma
 - Diabetes
 - Arthritis



Anna Gets More Information

- Calls Patient Benefits Counselor at IHS
- Signs up for a Medicare-approved drug discount card
- Gets \$600 credit to help pay for prescription drugs

Questions ?