



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Encourages Seniors to Take Advantage of Medicare Drug Discount Cards

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today encouraged Iowa Medicare beneficiaries to take advantage of Medicare’s new drug discount program that gives older Americans and people with disabilities savings on their prescription drugs. Starting today, beneficiaries have the opportunity to shop around for drug discount cards and choose the best option for them. This program will be especially valuable to those enrolled in Medicare without access to prescription drug coverage.

Through the new discount card program, Medicare beneficiaries will receive discounts on prescription drugs. Low-income beneficiaries may also receive an additional \$600 to pay for their prescription medicines in both 2004 and 2005 until the comprehensive Medicare prescription drug benefit begins in January 2006. Beginning today, beneficiaries can enroll in the discount card program, and the drug discounts will be available June 1.

“Congress created this voluntary drug discount card program to give older Americans immediate help with the cost of their prescription medications,” Grassley said. “This program will help millions of people benefit from lower prescription drug costs now. Medicare beneficiaries won’t have to wait any longer to lower their prescription drug costs. The discounts and targeted assistance for lower income beneficiaries will make life-saving medicines more affordable.”

Grassley, the lead Senate author of the new Medicare Modernization Act, which offers a voluntary prescription drug benefit for the first time, said the discount card is available for less than \$30 a year to all Medicare beneficiaries who don’t have outpatient drug coverage through Medicaid.

Beneficiaries using the Medicare-approved drug discount cards are expected to save between 10 percent to 15 percent on their total drug costs, and up to 25 percent on certain prescription drugs, Grassley said. Medicare beneficiaries can expect to receive access to the discounts through their local pharmacies and mail-order drug companies. Using Medicare’s Web site or a Medicare telephone representative, they will be able to compare prices offered by sponsors on specific drugs and enroll in the program that best suits their needs.

Grassley and his fellow lawmakers targeted the greatest assistance to those with the greatest need. Low-income beneficiaries will qualify for a \$600 annual credit on the card for 2004 and 2005

and pay no enrollment fee. A single person whose income is no more than about \$12,600, and a married couple whose income is no more than about \$16,900, qualify for the credit. For these low-income beneficiaries, the card will be just like a debit card. When the card is presented at a pharmacy, the beneficiary will be able to “draw down” from the \$600 to purchase his or her prescriptions.

“The drug discount card will be available to all Medicare beneficiaries regardless of where they live, and it’s completely voluntary,” Grassley said. “That means if you’re satisfied with your traditional Medicare, you don’t have to get a drug discount card. But if you use prescription drugs, you might find considerable cost savings through a drug discount card until the comprehensive prescription drug benefit kicks in. The comprehensive prescription drug benefit also will be completely voluntary. We wanted to create more options, not fewer, for Medicare beneficiaries.”

During the first four months of the year, Grassley conducted 39 meetings throughout Iowa to help educate beneficiaries about the Medicare-approved drug discount card and new Medicare drug benefit.

“Last year Congress approved the biggest improvement to Medicare in history,” Grassley said. “But it won’t do Medicare beneficiaries one bit of good if they aren’t aware of the new benefits. Through my town meetings, I’ve worked hard to spread the word and gather feedback from Iowans. At my meetings I also informed Iowans that they could go to three places to get more information about how the new benefit will benefit them.”

The three places to learn more about the new drug discount card program are:

- The federal agency that runs Medicare has upgraded its Web site to allow visitors to compare drug prices and search for a local pharmacy that accepts the Medicare-approved discount cards. Medicare beneficiaries and their family members can go to www.medicare.gov to learn more. In addition, they may access one-on-one assistance by calling toll-free 1/800-MEDICARE to speak directly with a trained benefits counselor for personalized help.

- In January, Grassley urged the secretary of Health and Human Services to direct resources to local State Health Insurance Information Assistance Programs (SHIIP). This network of staff and trained volunteers provides free expert advice and confidential counseling to folks who need help figuring out their health insurance coverage. HHS boosted funding for these local outreach programs by 69 percent to get help where help is needed most in the communities where Medicare beneficiaries live. These dedicated representatives know the Medicare program inside and out. They offer unbiased information to help older folks choose the right benefit option for them. Iowa has representatives in 75 counties. To find a trained volunteer in their area, Medicare beneficiaries and their family members should call 1/800-351-4664 or send an e-mail to shiip@comm6.state.ia.us. Also they can check its Web site at www.shiip.state.ia.us.

- Grassley said Iowans can also always contact any of his state offices for more information.

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