



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Tuesday, June 1, 2004

## Grassley Announces Hearing on Medicare Drug Discount Cards

WASHINGTON – On the first effective day of Medicare’s drug discount cards, Sen. Chuck Grassley, chairman of the Committee on Finance, announced a hearing to make sure the card program is running smoothly and delivering discounts as Congress intended. Grassley’s committee hearing, “Medicare Drug Card: Delivering Savings for Participating Beneficiaries,” will be on Tuesday, June 8, at 10 a.m. in 215 Dirksen Senate Office Building. A witness list will be available later.

“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 don’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.

“It’s important for the Senate committee of jurisdiction to make sure the program is working in practice as everybody envisioned it in theory. We did our best to anticipate Medicare beneficiaries’ needs, like having good phone access to trained benefits counselors, but there can be unforeseen needs. This hearing will give us a progress report from all perspectives. Then we can work to fix any shortcomings.”

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’s benefits kick in today for those who have signed up so far. The card is available for an annual fee of \$30 or less to all Medicare beneficiaries who don’t have outpatient drug coverage through Medicaid. Beneficiaries can sign up at any point this year, and those who enroll early will get the full benefit of the discounts and assistance that is available.

Beneficiaries using the Medicare-approved drug discount cards will save between 16 percent to 30 percent off usual retail prices for brand name drugs, and up to 60 percent or more on generic prescription drugs, Grassley said. Medicare beneficiaries can access the discounts through their local pharmacies and mail-order drug companies. Using Medicare’s Web site or a Medicare telephone representative, they are 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 qualify for a \$600 annual credit on the card for 2004 and 2005, pay no enrollment fee and have access to even greater discounts offered by certain manufacturers. 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 is just like a debit card. When the card is presented at a pharmacy, the beneficiary is able to “draw down” from the \$600 to purchase his or her prescriptions. Combined with the additional manufacturer discounts, the cards can save low-income beneficiaries as much as 75 percent to 90 percent on their drug costs.

For example, take a hypothetical beneficiary, Helen, who lives in Waterloo, Iowa. Helen takes three prescription medications, Celebrex twice daily, Norvasc once daily, and Zocor once daily. Helen finds that the card that offers the best value will save her \$73 a month, accounting for 20 percent off her prescription drug bill. Because Helen lives on a fixed income of \$1,000 per month, she also qualifies for \$600 of transitional assistance this year and next, which she can use to purchase her drugs. Combining the \$600 credit with additional manufacturer discounts that kick-in when she exhausts the \$600, Helen can save more than \$330 a month, or 90 percent off her current prescription drug bill. Over the 19-month program, savings amount to an astonishing \$6,300, Grassley said.

“The drug discount card is a very good deal for beneficiaries who are struggling with high drug costs, especially those with lower incomes,” Grassley said. “The cards are available to all Medicare beneficiaries regardless of where they live, and the program is completely voluntary.”

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. He also held two enrollment events.

“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](http://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](mailto:shiip@comm6.state.ia.us). Also they can check its Web site at [www.shiip.state.ia.us](http://www.shiip.state.ia.us).

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

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