



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Tuesday, June 8, 2004

Grassley Encourages Critics to Set Politics Aside, Let Medicare Drug Discount Cards Work

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today encouraged older Americans to keep an open mind on Medicare’s drug discount cards, a brand-new program that offers immediate, significant relief for millions of Medicare beneficiaries suffering under high prescription drug costs.

“The drug card is an important first step in filling a void for many of our nation’s seniors and disabled,” Grassley said. “That void has prevented them from getting life-saving and life-improving prescription drugs. While the program’s creation was a bipartisan effort, over the past few months, we’ve heard an awful lot of criticism about the program even though it started just a week ago.

“The drug discount card program has been the target of a deliberate campaign to discredit it and confuse seniors about how it works. This effort is driven and coordinated by those who opposed the *Medicare Modernization Act* not because of policy, but because of politics. This kind of politically-motivated subterfuge disappoints me. It’s a disservice to the millions of older Americans and people with disabilities who can benefit from a Medicare-approved drug discount card.”

Grassley convened a Finance Committee hearing to help committee members and the public get objective information about the program and to conduct oversight over the federal government’s implementation of it. Witnesses included Kris Gross, director of the Iowa State Health Insurance Information Program, a primary resource for Medicare beneficiaries, and Dr. Mark McClellan, new administrator of the Centers for Medicare and Medicaid Services, the federal agency implementing the drug card program.

Grassley said others share his view that some Democrats are trying to discredit the drug card program to score political points. “Just last week, the Centrist Policy Network wrote, ‘Democrats are the opposition party in Congress, and they’re supposed to raise questions. But discouraging seniors from enrolling in the Medicare drug discounts cards is too much. The average Martian would be justifiably perplexed about why the Democratic leadership wants to repeal a program that does no one harm, might actually help quite a few people, and offers a significant benefit to low-income seniors.’ ”

Grassley said some original opponents and supporters of the drug card program are joining together to help older Americans get needed assistance. He cited the Access to Benefits Coalition, which he said is made up of organizations – such as the AARP, the Alzheimer’s Association, the National Consumers League, Easter Seals, and the National Alliance for Caregiving (see <http://www.accesstobenefits.org/> for more) – that have put politics aside to make sure that beneficiaries, particularly those with low incomes, get the assistance they deserve.

“Many of these organizations didn’t support the passage of the original bill, but they’ve agreed to put that aside, move on, and now help seniors obtain these benefits,” Grassley said. “I commend these organizations for stepping forward to work together to help beneficiaries learn about the lower prices they can get through a discount card.”

Grassley said a hypothetical beneficiary living in Waterloo, Iowa, with an income of \$12,000 a year who takes Celebrex, Norvasc, and Zocor would pay around \$7,000 at her local pharmacy from now until the end of 2005 without a drug discount card. The beneficiary gets her prescriptions filled at the local pharmacy because she knows and trusts the pharmacist. Like many, she does not want to order drugs through the mail.

She could save more than \$1,300 – 20 percent – off her three medications by using a Medicare discount card. The \$1,300 by itself is a pretty big savings. But she qualifies for a \$600 credit this year and next year (called transitional assistance) so she won’t pay an enrollment fee if there is one. In addition, she will receive additional assistance from drug manufacturers when she signs up for a drug card. Beneficiaries who qualify for transitional assistance can automatically get these additional manufacturers’ discounts upon enrollment in a card.

“The Medicare drug card has dramatically simplified these benefits by making all of them available through one card,” Grassley said. “I hope card sponsors will work with as many drug manufacturers as possible so that low-income beneficiaries can access all of these discounts.”

So, when the hypothetical beneficiary combines the \$1,200 in transitional assistance with the \$5,100 in additional manufacturers’ assistance offered through her card, she will save \$6,300.

“That’s a 90 percent savings for her. Ninety percent savings. To me that’s real savings,” Grassley said. “And to those who say this discount card program provides no real benefits, my only conclusion is that they’re the ones who are confused. I’ll be the first to say that some issues have surfaced that need to be worked out, but that’s not unusual with a new program. Medicare itself experienced some start-up issues. So did the State Children’s Health Insurance Program. Only 982,000 recipients – fewer than 20 percent of the enrollment goal of 5 million set by the Clinton administration – enrolled in S-CHIP during its first year.

“In the first five weeks that beneficiaries have been able to enroll in the Medicare-approved discount drug card, the federal government succeeded in enrolling nearly 40 percent of its goal of 7.4 million. That’s a great start after just five weeks. I think we’d all agree that it was a good thing we didn’t give up on Medicare or S-CHIP in their early stages. I hope everyone will put politics aside and give the drug card program a chance to work. Medicare beneficiaries deserve that.”

The following information is from Medicare's Web site.

Facts You Need to Know About Medicare-Approved Drug Discount Cards

More discount cards are offering you competitive prices for your prescription drugs.

Savings on brand-name drugs range from 16 to over 30 percent off usual retail prices and 11½ to 17 percent off the average retail prices (including the retail discounts that many people with drug coverage receive), with significantly larger discounts available on mail-order drugs. Savings for generic drugs are even larger, ranging between 30 to 60 percent or more.

If you are enrolled in Medicare you are eligible to enroll in a Medicare-approved drug discount card, unless you receive outpatient prescription drugs through Medicaid. If you are getting real help with your drug costs from other sources -- like retiree insurance, Medigap coverage, or health plan benefits — you don't need to do anything. If you are struggling with high drug prices, it's worth finding out more.

If you have a limited income and you do not have drug coverage, you can get even more help. If your monthly income in 2004 is no more than \$1,047 if you are single or no more than \$1,404 if you are married, you might qualify for a \$600 credit on the Medicare-approved drug discount card. You can also get another \$600 credit for 2005. In addition, you might qualify for additional, larger discounts from many drug manufacturers.

Signing up for a Medicare-approved drug discount card is voluntary. You can sign up any time this year and there's no deadline or late enrollment penalty. Enrollment started on May 3, 2004. Sign up in May 2004 to get the benefits when the program begins in June 2004. If you have a limited income, you should look into the program now. Enrolling before June means that you can get the full benefit of the discounts and the financial assistance with drug costs.

Enrollment forms for the Medicare-approved drug discount cards are available on www.medicare.gov or by calling 1-800-MEDICARE. We will mail you a Medicare-approved drug discount card enrollment form, if you request it. If you qualify, we will send you the enrollment form to apply for the \$600 credit.

Card fees are low. The maximum card fee is \$30 per year, but many cards have lower fees or no fee.

After you choose a card, you can send your completed enrollment forms to the company offering the Medicare-approved drug discount card you want. You will usually get your drug discount card within one week. You can start using your card on the first day of the next month. If you want to change to another Medicare-approved drug discount card for 2005, you can make a different choice from mid-November until the end of December 2004.

3 Simple Steps to Get A Medicare-Approved Drug Discount Card

Different people have different drug needs and prefer to get their medicines in different ways. To compare cards and decide which Medicare-approved drug discount card is best for you, contact Medicare for help — either by calling 1-800-MEDICARE (1-800-633-4227), visiting www.medicare.gov or contacting your local State Health Insurance Assistance Program (SHIP). If you visit www.medicare.gov, you can use our Price Compare tool to help choose your card or you can download our Guide to Choosing a Medicare-Approved Drug Discount Card for more information.

You can always talk to a live person at 1-800-MEDICARE to get the facts you need. To better serve you when you contact us, have the following information ready:

Your ZIP code,

Your medicines and doses (you can find this information on your pill bottles), and

Your total monthly income (if you are interested in the additional financial help available for people with Medicare who have lower incomes).

To help narrow your discount card choices, you can also tell us your preferred pharmacy, whether you are interested in low-cost or no-cost cards, and the names of any specific cards you want more information about.

If you call 1-800-MEDICARE, we will send you a personalized brochure that allows you to look at discount cards based on your drug needs and your preferences about how to get your medicines. You can use this personalized information to

Look at the prices being offered for all of your drugs,

Look at the annual enrollment fee charged by card sponsors that provide the best prices on your drugs, and

Look at the pharmacies that accept the discount card to make sure your preferred pharmacy is included.

We will also send you a simple enrollment form and tell you how to contact the card sponsors directly for additional information or to enroll.

Requests for information about the Medicare-approved drug discount cards are at an all-time high. We have increased the number of customer service representatives from 1,200 to 1,800 at the Medicare call centers to make sure we can respond to every one of your calls. We are taking other steps to help reduce your call time and to use our Medicare.gov web site more easily. The best times for you to call to get the shortest waiting time are after 6:00 p.m. EST and before 6:00 a.m. EST. The best days to call are Thursday, Friday and Sunday.