

# Medicare-approved Drug Discount Card Program



Prepare now to answer patient questions about eligibility, rules of use

by Tara Argall

When the Medicare Prescription Drug Improvement and Modernization Act was passed in December 2003, it left pharmacists wondering what the future will hold in the next few years while the transition is made to prescription coverage for senior citizens. The Medicare drug benefit will not begin until Jan. 1, 2006. In the meantime, Medicare beneficiaries are offered a discount card to provide immediate assistance for drug costs. The Discount Card provides Medicare beneficiaries with access to prescription drug discounts through enrollment in Medicare-approved discount card programs offered by many different organizations.

### ENROLLMENT

The Medicare discount card program is a voluntary, temporary program designed to assist seniors. It is estimated that the program will save 10-25% on prescription drugs. Dozens of drug discount card proposals were submitted to the Centers for Medicare & Medicaid Services (CMS) and were granted acceptance in early April. The endorsed discount cards will carry the Medicare-approved seal (above). This program will be offered to patients enrolled in Medicare Part A and/or Part B. Low-income Medicare beneficiaries qualify for an annual award of \$600 toward their prescription purchase.

Private companies offering a discount card are allowed to charge an annual enrollment fee of no more than \$30. If patients qualify for the \$600 credit, they will not need to pay the fee. Patients are not eligible if they are receiving Medicaid outpatient prescription drug coverage, including SeniorCare, at the time of enrollment. There are no income qualifications

other than the criteria used to award the \$600 annual stipend to low income beneficiaries. Enrollment will begin as early as May 2004, and the cards can be used as early as June 2004. Beneficiaries can only choose one Medicare-approved drug discount card at a time and only enroll in one approved card during the year. Patients having non-Medicare-approved discount cards may use these cards, but they may only use one card at each point of purchase. This is where patients need to determine which card offers the best value for a given purchase. If the enrollment and card determination process seems complicated, it should. It *is* complicated.

### QUALIFYING FOR CREDIT

Patients meeting income qualifications may be eligible for up to \$600 annual credit toward prescription drugs. The \$600 credit will be used in combination with a discount card to provide beneficiaries with additional savings on the cost of

their prescription drugs. It is not necessary for patients to have high drug costs in order to qualify for the credit. This year, patients will receive the entire \$600. Depending on the application date, patients may receive up to \$600 in 2005. To qualify, patients must meet certain criteria:

- must meet income requirements (see table),
- be entitled to or enrolled in Part A and/or Part B, and
- have no other prescription drug coverage like Medicaid, TRICARE for Life, VA, employer/union group, Federal Employee Health Benefit Plan or SeniorCare.

The credit can be used toward most prescription drugs, even those not covered on the discount list. The discount is provided through the card and alleviates the need to file forms. Even if beneficiaries qualify for the credit, they must pay either 5% or 10% coinsurance depending on income.

Beneficiaries who still have credit remaining at the end of 2004 can use the remainder in 2005 if they keep the same card. If they change cards and still have credit remaining, beneficiaries may be able to use the remainder for a different Medicare-approved drug discount card.

If patients are denied enrollment in a Medicare-approved drug discount card or are denied eligibility for the \$600 credit, they may request that CMS reconsider the denial. The reconsideration must be filed within 60 days from the date of notice of the denial of eligibility.

### CHANGING PROGRAMS

Patients are only allowed to enroll in one approved card at any given time during a calendar year. Beneficiaries may leave the card program at any time by writing or calling the company, or by changing

INCOME REQUIREMENTS	
At or below 135% official poverty level	
<b>Limits for 2004</b>	
Single: \$12,569	
Married: \$16,862	
TO QUALIFY FOR COINSURANCE	
<b>Single</b>	
Below \$9,310 = 5% coinsurance	
\$9,310 to \$12,569 = 10% coinsurance	
<b>Married</b>	
Below \$12,490 = 5% coinsurance	
\$12,490 to \$16,862 = 10% coinsurance	
<i>Income includes money received through retirement benefits from Social Security, Railroad, the Federal government, and benefits received for disability or as a veteran.</i>	
<i>Note: Patients do not need high drug costs to qualify for the \$600 credit.</i>	

cards during the Annual Coordinated Election Period (Nov. 15, 2004 to Dec. 31, 2004). Beneficiaries may only enroll in a new program during this specified time frame. If patients are disenrolling for any of the following reasons, they may change cards at any time during the year (it may be necessary to pay the annual enrollment fee as well):

- moving to another state where your current card is not offered,
- entering or leaving a long-term care facility,
- leaving or joining a Medicare managed care plan, or
- notified that a private company has stopped offering that discount card.

#### COMMENTARY

With the ever-growing number of seniors in the United States taking prescription medications, the number of drug discount cards is increasing as well. As pharmacists, we are aware that many of these “discount cards” are not Medicare-approved. But for seniors, the confusion

might only begin with the number of different cards available. Patients will have a plethora of questions to ask their local pharmacist. We need to be prepared to explain the differences between non-Medicare and Medicare-approved discount cards, that beneficiaries can only have one Medicare-approved card, and that those enrolled in SeniorCare are not eligible for the Medicare discount card program and can only use one “discount card” for each point of purchase. Once these issues are clear, there still may be confusion regarding the \$600 credit, the medications covered and the amount of discount per plan. This is another area where pharmacists and their staff can assist patients in selecting which program will benefit them most. We need to be prepared and educate our pharmacy staff to assist patients with these and other anticipated questions.

Do pharmacists need to provide Medicare recipients with this assistance? No, certainly not. But consumer questions about these programs do present an op-

portunity for pharmacists to steer patients toward a program that best serves the recipient and one that the pharmacy accepts.

#### CONCLUSION

Although this is a federal program, its impact will be far reaching in every state and every community. PSW will continue to work hard with other state and federal organizations to further influence federal regulations on behalf of its members and Medicare beneficiaries. In addition to providing its members with information on this developing program, PSW will direct specific program-related concerns or general discount card proposals to the officials at CMS. PSW encourages its members to contact the organization with any questions. ●

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## National Pharmacy Associations Endorse Card Programs

The National Association of Chain Drug Stores (NACDS) and the pharmacy benefit manager (PBM) Express Scripts, are jointly seeking endorsement of a national Medicare discount card from CMS. The application was submitted by the Pharmacy Care Alliance (PCA) which is restructured to provide for equal control by both NACDS and Express Scripts. Express Scripts is one of the nation's largest PBMs, serving more than 50 million Americans. Highlights of the anticipated program include:

- Incentives for marketing to members
- 100% pass-through of manufacturer rebates
- Option to dispense either 30- or 90-day supply
- Mail order as an option; however, attempts at leveling the playing field between retail and mail order are made by PCA
- Open pharmacy network

The National Community Pharmacists Association (NCPA) has endorsed the Community Care Rx proposed Medicare drug discount card program. NCPA has joined MemberHealth, Inc., Computer Sciences Corporation, and the Senior Care Pharmacy Alliance to seek federal endorsement from CMS. The program is also competing for special approval under the Medicare initiative to serve long-term care facility residents. The principal interest of NCPA is to best prepare community pharmacists for the implementation of full Medicare drug benefits in 2006, and to keep Medicare patients in their pharmacy. Community pharmacists will control and direct this program. Highlights will include:

- No mail order
- Patients may obtain at least a 100-day supply at their community pharmacy
- Competitive reimbursement rates
- Open pharmacy network
- Not-for-profit venture