

The Medicare–Approved Discount Cards

As a result of the recent changes in Medicare, the Alzheimer's Association is developing a series of fact sheets to provide up-to-date information on the new Medicare drug benefit and other improvements to the Medicare program. This fact sheet will focus on the Medicare-approved discount cards.

What is the discount card program and when will it begin?

Medicare has approved drug discount cards offered by private companies. Beginning **May 3, 2004**, Medicare beneficiaries can sign up for a **Medicare-approved** discount card to help with some drug costs. These discount cards are completely voluntary. Beginning **June 1, 2004**, beneficiaries could save by receiving discounts of 10–15% on a prescription drug. Beneficiaries can only sign up for one Medicare-approved discount card a year. There is an annual enrollment fee of \$30 or less for most cards.

Discounts will vary by card and each plan will be slightly different. For example, some cards will only have discounts for certain drugs or can only be used at certain pharmacies.

Who is eligible to enroll in a discount card program?

Anyone can get a Medicare-approved drug discount card if:

- You have Medicare Part A and/or B, and
- You don't have outpatient drug benefits through Medicaid

Beneficiaries with limited income may be eligible for \$600 credit on the discount card to help pay for the prescription drugs.

How do I apply for the \$600 credit?

You may be eligible for the annual \$600 credit (called transitional assistance) if

- you have Medicare Part A and/or Part B coverage

- your annual income is \$12,569 or less if you are single, or \$16,862 or less if you are married; (your savings and other assets will not be counted), and
- you do not have outpatient drug coverage from other health insurance, such as Medicaid, Tricare for Life, group health insurance or FEHBP (federal employees health insurance).

To apply for the \$600 credit, you must complete an enrollment form and send or fax it to the Medicare-approved discount card company. If you qualify for the \$600 credit, you will not have to pay the annual enrollment fee for the discount card. You will have to pay a 5–10% co-payment each time you use the card if it still has a credit balance on it. If you use up the \$600, the card can still be used for discounts.

How do I choose a Medicare-endorsed discount card?

It is best to make a list of the medications you currently take and figure out how much you pay each month for each prescription drug. Then, find out which Medicare-approved cards are available in your area and which cards offer the best discounts for the drugs you need. A drug plan sponsor does not have to provide a discount for all the drugs available to treat a particular health condition. However, each plan is required to provide a discount on at least one drug to treat most health conditions.

A comparison of the discount cards is posted on the official Medicare website, www.medicare.gov. You can type in your zip code, select the medications you take and you will see the drug prices offered by each discount plan in your area.

You should also consider whether the discounts are offered at the pharmacies that are near your home or by mail order. If you are a seasonal resident or frequent traveler, you should consider a national card so that you can use your discount drug card in any part of the country.

How do I sign up for a discount card?

Once you determine which Medicare-approved discount card works best for your needs, you can obtain an enrollment form from the Centers for Medicare and Medicaid Services (www.medicare.gov or 1-800-MEDICARE) or the discount card company. The enrollment form should be submitted to the discount card sponsor to be processed. The discount card becomes effective the first day of the month after the company has received your enrollment form.

Before you sign up, make sure that the plan you have chosen is a Medicare-approved discount card plan by calling 1-800-MEDICARE (1-800-633-4227) or checking the www.medicare.gov web page.

My mother has Alzheimer's disease, can I sign her up?

Depends. You can sign your mother up for a discount card only if you have the legal authority to act on her behalf to make health care decisions for her.

Some important facts to remember:

- You can only sign up for one Medicare-endorsed discount card at a time and you are locked-into that choice until the end of the year. You can switch cards once, between November 15 and December 31, 2004, for discounts in 2005. Under special circumstances, for example, if you move, some individuals will be able to change discount cards during the year.
- If you are in a Medicare Advantage plan, your plan may decide to offer a Medicare discount drug card. If it does, you can only choose that card. If you are in a Medicare Advantage plan and your plan does not offer a discount drug card, you can choose any Medicare discount drug card available in your area.
- If you already receive discounts on your prescriptions or are enrolled in a state pharmacy assistance program, you should check to see which card or program will save you the most money when you fill a prescription.

- A discount drug company can change its discount drug list and the discounted prices at anytime. Call the company **before** you fill or refill your prescription so you know how much it will cost.
- For information specific to your state, contact the local Senior Health Insurance Program in your community.

What is the Access to Benefits Coalition?

The Alzheimer's Association is a lead member of the Access to Benefits Coalition. The coalition will activate nationwide community education and outreach, targeted to enrolling low-income Medicare beneficiaries. The goal of the coalition is to ensure 5.5 million low-income beneficiaries are enrolled by December 31, 2005.

The public information and outreach campaign will complement and extend Centers for Medicare and Medicaid Services (CMS) efforts at the local level and involve the Association in outreach coalitions. The Coalition will have valuable information on its web page at <http://www.accesstobenefits.org/>

Resources to get additional information

Alzheimer's Association
www.alz.org/Advocacy/priorities/medicare/overview.asp

Centers for Medicare and Medicaid Services
1-800-medicare or www.medicare.gov

AARP
www.aarp.org

Access to Benefits (ABC) Coalition
www.accesstobenefits.org/

Senior Health Insurance Programs - To locate program in each state
Elder Locator 1(800)677-1116; 1(800) MEDICARE