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Medicare-Approved Drug Discount Cards: What You Need to Know

If you are caring for someone with Medicare and are finding it harder and harder to stretch their budget to include the ever-rising cost of prescription drugs, their dollars may soon go a little farther because of the new Medicare law.

Included in the Medicare legislation that was signed into law in December 2003 is a voluntary prescription drug discount card. This temporary program will begin June 2004 and will phase-out after December 2005. The discount cards offered through this program may help reduce your total prescription drug costs about 10-15%.

The following is what you need to know about the discount card program.

Who Can Get the Medicare Drug Discount Card

- Beginning in May 2004, those enrolled in Medicare can sign up for a discount card that will cost no more than \$30 a year and may help save money on some drug costs. The program is voluntary and there is no penalty for those who choose not to participate.

- Those who have drug coverage through an employer or former employer may not need the discount drug card.
- Those that have retiree health benefits through the military or Veterans Administration (called TRICARE) can get the discount drug card.
- Those that already have another discount card can keep that card and also get a Medicare discount card. Use whichever one saves the most.
- Those in a Medicare Advantage plan need to check with their plan because some plans may decide to offer a discount card. If it does, only the card the plan selects can be used. If the Medicare Advantage plan does not offer a discount card, any available Medicare discount card can be chosen.
- Those in a state Medicaid program with drug coverage will NOT be able to get the discount card.

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Things to Know

- There may be several cards offered where you live, but you can only sign up for one card.
- Private companies or organizations that have been approved by Medicare will offer the drug discount cards.
- Discounts will vary from card to card and each card will offer something different.
- Before signing up, shop around to find out which card will give you the best deal.

Signing Up

- After selecting a drug discount card, you will have to give basic information about your Medicare or Medicaid status on an enrollment form.
- Medicare will check your information and tell the company offering the card if you are eligible.
- If they say you are NOT eligible for the discount card, you may request to be reconsidered.

When the Discounts Start

- You can begin using the discount card in June 2004.

- Once you get the card, you may start getting discounts as early as the first day of the following month.

There Is Extra Help For People With Lower Incomes

- If your income is no more than \$12,569 (\$16,862 for married couples) you may qualify for and receive a \$600 credit on your discount card for 2004 and again in 2005.
- Medicare will pay the annual \$30 card charge if you qualify for the \$600 credit.
- If you have drug coverage from other sources such as Medicaid, TRICARE, health insurance coverage or an employer group health plan, you can NOT get the \$600 credit.

Changing Approved Discount Drug Cards

- There will be one chance to change discount cards. Starting November 15, 2004 until the end of the year, you can change to a different card.
- You can also change cards if you move to a long-term care facility, move outside the area served by the card or drop out of a Medicare managed care plan.

The Discount Drug Card Timeline— What Happens When

December 2003	Act signed into law
May 2004	Sign up for discount card starts
June 2004	Discount card starts \$600 credit on discount card for low income
November 15- December 31, 2004	Can change discount cards for 2005
January 2005	Additional \$600 on discount card for low income
December 31, 2005	Discount card program phases out
January 1, 2006	Medicare Benefit starts

More Information

More information on the discount drug card program can be found on the Medicare Web site (www.medicare.gov) or by calling toll-free to 800-MEDICARE or 800-633-4227 or TTY 877-486-2408.

Information to help you understand Medicare and prescription drug choices

can also be found on AARP's Web site (www.aarp.org) or by calling toll-free 888-OUR-AARP or 888-687-2277 or TTY 877-434-7598. A drug benefit calculator can be accessed by going on the AARP Web site to the *AARP Bulletin*.