601 E Street, NW | Washington, DC 20049

D 18105 (404)

LIFE ANSWERS FROM AARP

AARP®
The power to make it better.™

medicare drug discount card

what you need to know

Medicare Prescription Drug Discount Cards: What You Need To Know

The new Medicare law makes major changes to Medicare, the nation's health insurance program for people age 65 and over and some persons with disabilities. The most important part of the law is new help with prescription drug costs for people with Medicare.

The first stage of this assistance begins in **May 2004**, when most people in Medicare can sign up for a Medicare-approved discount card to help them with some drug costs. You may continue using the card until the second stage of assistance – the Medicare drug benefit – goes into effect in **January 2006**. Medicare discount card benefits will no longer be available after **December 2005**.

Starting in June 2004, discount cards with a Medicare-approved seal may save you about 10 – 15% on some of your prescription drug costs.

You need to decide if a Medicare-approved discount card will help you with your prescription drug costs. If you are in a state Medicaid program with drug coverage you will not be able to get the discount card. You may have questions about how the Medicare-approved discount cards will work, including: How do you sign up for a Medicare-approved discount drug card? When can you start using it? Will you have a choice of more than one card? How will you know which card is right for you? Is there extra help for people with limited incomes?

This booklet can help answer these and other questions you may have about the new Medicare-approved prescription drug discount card. Take a moment to review this booklet. Then, if you need more information, Medicare has a web site (www.medicare.gov) and a toll-free telephone number (800-MEDICARE or 800-633-4227 or TTY 877-486-2408). AARP also has a web site (www.aarp.org) and a phone number (888-OUR-AARP or 888-687-2277 or TTY 877-434-7598) with more information.

Your Medicare-Approved Prescription Drug Discount Card: Getting Started

Medicare's new prescription drug assistance will go into effect in two stages. The first stage begins in **May 2004** when people with Medicare can sign up for a discount card to help them with some drug costs. It is available to all Medicare beneficiaries except those who get drug coverage from a state Medicaid, or medical assistance program. There is no penalty if you do not sign up for a Medicare discount card. If you have Medicare and you have signed up for and received a Medicare-approved drug discount card, you may begin using your card as early as **June 2004** for some discounts on your prescription drugs.

Discount cards with a Medicare-approved seal may save you about 10 – 15% on some of your prescription drug costs. The cost for the card will be no more than $30 each year. For certain people with limited incomes there will be no charge for the card. The card is voluntary – you do not have to sign up for a Medicare discount card if you do not want one. Your Medicare benefits will not be affected if you choose not to sign up for a discount card.

There will be many cards to choose from. You need to compare the cards to pick one that meets your needs.

If you decide to get a Medicare-approved discount card, you may pay less for some of your prescription drugs than you do now. There will be many cards to choose from. However, you can only pick one Medicare discount card. Each discount card might be a little different. Some examples are:

- Some cards can only be used at certain pharmacies.
- The amount of the discount on a drug could be different from card to card. Overall, the cards could save you about 10% to 15%.
- A drug you take may not be discounted on all cards.
- Cards will have different annual fees, but no more than $30 per year.

You need to compare the cards to pick one that meets your needs.

What Medicare-Approved Cards Are Available In My Area?

You'll begin to hear about Medicare-approved cards being offered in your area in **April 2004**. If you are in Medicare, you may get information in the mail about cards that are being offered in your area. Look for advertisements in your local paper, on the radio, and on TV. Don't sign up for the first card you hear about – compare offers, and make sure you're getting the best card for you (see **"Compare the Cards,"** page 9.)

Each company offering a Medicare-approved discount card will have its own sign-up form. You may use the form provided by the company offering the card, or you may use the standard form provided by Medicare. Companies offering Medicare-approved discount cards will accept either sign-up form.

You can also get information about Medicare-approved discount cards in your area by visiting Medicare's web site (www.medicare.gov) or calling the toll-free number at 800-MEDICARE or 800-633-4227 or TTY 887-486-2408.

You will know which cards are Medicare-approved by a special seal that will be on all Medicare-approved drug discount cards. Unfortunately there are reports of individuals falsely claiming to offer Medicare-approved discount cards. CMS reminds you never to share your personal information (such as bank account information, social security number, health insurance number or Medicare number) with anyone who calls or comes to the door claiming to sell a Medicare-related product. The Medicare seal will look like this:

Once you have selected a card, ask for an application package from the company that is providing the card you want. This package will give you specific steps for applying, as well as information about extra help for people with limited incomes.

How Do I decide Which Card Is Right For Me?

You will likely have many choices for a Medicare-approved drug discount card. Here is a guide you can use to compare your choices. There is also a worksheet for you to write in the information you collect. In the end, you should be able to see for yourself what each card will charge you for your prescription drugs at the time you make your decision. Be aware that discount card companies can change what drugs they discount and the amount of the discounts at any time.

- To find all the discount cards you can choose from, you should go to Medicare. There are two ways to contact Medicare:
  - Go to www.medicare.gov and choose "Prescription Drug and Other Assistance Programs"
  - Call Medicare at 1-800-633-4227 (TTY/TDD 1-877-486-2048)
- When you know what discount cards you can choose from, you should answer the following questions about each card:
  - Does this card provide discounts on each prescription drug I take?
  - How much will this card charge me for each of my prescription drugs?
  - Does my pharmacy accept this card?
  - Can I use this card if I travel to other states?
  - Can I use this card to get my prescriptions through the mail?
  - What is the annual enrollment fee?
- Contact Medicare to get the answers or you can do the following:
  - Call the drug discount card company on its 1-800 number or go to its website.
  - Discount card companies may send you the answers in the mail.

Complete the grid on page 9, then consider:

- If you are in a state Medicaid program with drug coverage you can not get the discount card.
- The discount card program is voluntary. You do not have to enroll. You can choose to enroll at any time and you will not face a late enrollment penalty.
- The card may cost up to $30 annually.

- You can only have one Medicare-approved discount card at a time.
- If you already have a different discount card that is not through Medicare, you can keep that card. You can also get a Medicare-approved discount card. Use whichever one gives you the best deal.
- You may get a free card and additional assistance (up to $1,200 for 19 months) if you have limited income.
- If you have drug coverage through an employer or former employer, you may not need the discount card.
- If you have a Medigap plan with drug coverage, you may get lower prices using the card. The card should not affect your drug coverage. Contact your Medigap plan for more information.
- You can get the current price of your prescription drugs covered by the cards from the following resources:
  - Call the drug discount card sponsor on its toll-free number or go to their website.
  - Discount card sponsors may send you the cost of drugs in their plans.
  - Call Medicare at 1-800-633-4227 (TTY/TDD 1-877-486-2048) or go to www.medicare.gov.
- Be aware that card sponsors can change their drug list and discount price weekly.
- For additional information:
  - Go to AARP's website at www.aarp.org or call 888-687-2277, (TTY 877-434-7598)
  - Call Medicare at 1-800-633-4227 (TTY/TDD 1-877-486-2048) or go to www.medicare.gov.

Compare The Cards

Here is a worksheet to help you compare different cards and what they offer.

Name of Drug (including strength and amount, e.g., Lipitor 20 mg, 30 tablets)	What I pay monthly for the drug (including current discounts)	Discount card #1	Discount card #2	Discount card #3
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
Total Monthly Cost	$	$	$	$
Does the card give discounts for all of my prescription drugs?				
Where can I use the card – which pharmacies, mail order, what states?				

***Copy this worksheet if you need more space.*

People with lower incomes can get a $600 credit in 2004 and another $600 credit in 2005

Other Facts To Consider Before Choosing A Medicare-Approved Card

- 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 your Medicare Advantage plan does not offer a discount drug card, you can choose any Medicare discount card that is available in your area.
- If you have a limited income, you can get extra help.

Is There Help For People With Lower Incomes?

Yes. The help is a $600 credit in 2004, and another $600 credit in 2005. If you qualify for this credit, you do not have to pay the card enrollment fee that can be up to $30 per year. You can get this credit if your income for 2004 is no more than:

- $12,569 for one person (about $1,047 a month) or
- $16,862 for a married couple (about $1,405 a month)

If you fit into one of the categories on page 12, you do not qualify for the credit.

- In Alaska, your income can be no more than $15,701 for one person and $21,074 for a married couple.
- In Hawaii, your income can be no more than $14,445 for one person and $19,386 for a married couple.
- If you live in Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa or the Northern Mariana Islands, different rules apply. Call Medicare at 1-800-633-4227 for more information. TTY users should call 1-877-486-2048.
- In the spring of 2005, the income levels will change. However, if you are approved in 2004, you do not need to reapply and will automatically receive another $600 credit in 2005.

Here Is How You Can Find Out Your Income For 2004:

Add all of your and your spouse's monthly income:

Social Security Check: _____
Retirement Benefits: _____
Wages: _____
Veterans Benefits: _____
Interest Income: _____
Other: _____
Total: _____
Multiply the total by 12: _____

(This figure is your yearly income.)

Who CANNOT Get The Medicare-Approved Discount Card and Credit – Some Exceptions

- If you don't have Medicare, you cannot get the discount card and credit.
- If a state Medicaid program helps pay for your prescription drugs, you cannot get the discount card and credit.
- If an employer or the federal government helps pay for your prescription drugs, you cannot get the credit.
- If Veteran's Affairs (VA) or military retiree health (TRICARE) helps pay for your prescription drugs, you cannot get the credit.

How Does The Credit Work?

You get a $600 credit on your card in 2004 (June – December). In 2005, you could get a $600 credit again on your card (January – December). The exact amount you get in 2005 depends on when you sign up. You will get a full $600 credit in 2005 if you signed up in 2004 or early in 2005. At most, this is a total of $1,200 for 19 months (June 2004 - December 2005). The credit can be used to buy any of your prescription drugs.

A Timetable For How Much Your Credit Will Be

Apply between	You Receive
May 3 and December 31, 2004	$600 for 2004 & $600 for 2005
January 1 – March 31, 2005	$600 for 2005
April 1 – June 30, 2005	$450 for 2005
July 1 – September 30, 2005	$300 for 2005
October 1 – December 31, 2005	$150 for 2005

Each time you use your card, the credit goes down. You will have to pay a co-pay (5% or 10% of the cost of the prescription). Your co-pay depends on your income. This co-pay will NOT count against your credit. For example:

- Your prescription drug costs $50 and your co-pay is $5 (10%)
  - You will pay the $5 co-pay
  - $45 will be taken from your $600 credit
  - You now have a $555 credit left

Each time you use your card, ask your pharmacist how much credit you have left.

If you don't use all of the $600 credit in 2004, you can use the left over credit in 2005. You will also get a credit of up to $600 credit for 2005.

If you use all of the credit, you can still use your discount card to get discounts on your prescription drugs. The discount will likely be about 10% – 15% on your overall costs. Some discount cards may offer special deals. Ask about special deals when you are signing up.

How Do I Get The Credit?

To get the credit, you need to sign up for a Medicare discount card. Each company that offers a card will have an enrollment form for people applying for the drug discount card and credit. There will also be a standard form from Medicare that you can use. When you know what discount card you want, call the card's company and ask for the discount card enrollment form or go to www.medicare.gov. You can also go to the company's website for the drug discount card enrollment form. Using this form, you will list your income, the size of your family and the name of any other programs that help you pay for your prescription drugs. You do NOT have to turn in extra paperwork when you send it in.

After you send your form to the company, Medicare will decide if you can get the card and the credit. If you can get the discount card and the $600 credit, the private company will mail you the card and you will not have to pay an enrollment fee. You can start using the card and credit as soon as you get it.

If Medicare says you cannot get the discount card OR the credit, you have the right to ask Medicare to review the decision. This is called an appeal. You have to do this quickly. If you can get the credit, you are eligible through 2005. Your credit cannot be taken away, even if your income changes.

What About State Pharmacy Assistance Programs?

Many states have their own programs that help people pay for their prescription drugs. If you get help paying for your drugs from a state program, you should find out how the state program will work with the discount card and the credit. To find out, contact your state's SHIP (State Health Insurance Counseling and Assistance Program). To find the SHIP in your state, you can:

- Call Medicare at 1-800 633-4227 and press 0 to speak to someone. Tell this person you want the phone number for the SHIP.
- Call the Eldercare Locator at 1-800-677-1116. Or visit www.aoa.gov and search on the words "eldercare locator." This service helps older adults and their caregivers find local services.

Other Options Might Save You More Money

The Medicare drug discount card that you choose might not provide you the best price for your prescription drugs. Other cards that you may also have might save you more money. Each time you buy a prescription drug, ask your pharmacist to tell you which of your cards saves you the most money on your prescription. You should do this each time because the discounts can change. Also, ask your pharmacist if lower-cost generic drugs are available. If so, ask your doctor about switching to the less expensive drug.

When Can You Change Medicare-Approved Discount Cards

If you want to change to a new drug discount card, there are only a few times that you will be able to.

- You can change cards one time between November 15, 2004 and December 31, 2004. If you do decide to change cards at this time and you have some of the $600 credit left on your old discount card, the amount you have left on your old card will be applied to your new card.
- If you move to a state where your discount card does not work, you can get a new card at that time. If you have some of the $600 credit left, you will get this amount on your new discount card.
- If you leave a nursing home, you can get a card at that time.
- If the private company that is offering the discount card stops the card, you can get a new card at that time. If you have some of the $600 credit left, you will get this amount on your new discount card.

Additional Benefits That Might Help You

BenefitsCheckUp – www.benefitscheckup.org
Answer a few private questions on this website. It will then tell you about other federal, state, and local programs you might be eligible for and how to apply. This site is a service of the National Council on Aging.

For Additional Information

Go to AARP's website at www.aarp.org/prescriptiondrugs or call 1-888-687-2277 (TTY 877-434-7598)

Call Medicare at 1-800-633-4227 (TTY/TDD 1-877-486-2048) or go to www.medicare.gov.

What happens when? Important dates at a glance

Timeline for Medicare changes:

December 2003

- Medicare changes signed into law

April 2004

- Begin comparing Medicare-approved drug discount cards in your area

May 2004

- Compare discount cards
- Sign up for discount cards

June 2004

- Discount cards become effective
- $600 credit on discount card for people with limited income begins

November 15-December 31, 2004

- Enroll for Medicare discount card for 2005, or switch to a different Medicare discount card

January 2005

- Another $600 credit on discount card for people with lower income

November 15, 2005

- Initial Medicare Drug Benefit (Part D) enrollment starts

January 2006

- Discount card program phases out
- Medicare Drug Benefit (Part D) starts

learn more…

Visit: www.aarp.org

Write: AARP, 601 E Street, NW,
Washington, DC 20049

Call: 888-OUR-AARP (888-687-2277)
TTY 877-434-7598

Join Today! go online to www.aarp.org/join

AARP is a nonprofit, nonpartisan membership organization dedicated to making life better for people 50 and over. We provide information and resources; engage in legislative, regulatory, and legal advocacy; assist members in serving their communities; and offer a wide range of unique benefits, special products and services for our members. These include *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *Segunda Juventud*, our quarterly newspaper in Spanish; *NRTA Live and Learn*, our quarterly newsletter for National Retired Teachers Association members; and our Web site, www.aarp.org. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

AARP® The power to make it better.™

AARP, 601 E Street, NW, Washington, DC 20049
www.aarp.org
888-OUR-AARP (888-687-2277) toll-free