



Medicare-Approved Drug Discount Cards

The high cost of prescription drugs is a major concern for most people thinking about retirement. Currently, Medicare does not cover most prescriptions. In addition, those who purchase supplemental (Medigap) or managed care (Medicare + Choice) plans face annual limits that they often exceed. A new option is now available to help make prescriptions more affordable- Medicare-approved drug discount cards.

These discount cards can help offset prescription drug costs for individuals who do not have prescription coverage under their insurance at all. The cards can also defray the costs for drugs that are not covered under some insurance plans, such as brand name drugs. In addition, the cards can be used after the annual limit has been exhausted under the insurance.

Below are some frequently asked questions that will help you better understand how the discount card program functions.

Who is allowed to purchase these discount cards?

Individuals who have Medicare Part A and/or Part B can purchase a card. The cards are also available to those who have enrolled in a Medigap or Medicare + Choice plan. Anyone who has prescription drug benefits through Medicaid is not allowed to buy a discount card.

What drugs are covered?

Insurance companies have a list of drugs covered under the discount program. That list varies by insurance company and can change at any time. The most current list of covered drugs is supposed to be posted on the insurance company's website.

How much of a discount do I get?

The exact amount of the discount differs by insurance company and also by drug. The average discount is about 10-15%.

How do I determine which insurance company has the best discount card?

You want to select the plan that covers the highest number of your prescriptions at the steepest discount. The Medicare website is an excellent resource for identifying the plans that best meet your needs. Go to www.medicare.gov and select "Prescription Drug and Other Assistance Programs." You will be prompted to indicate the prescription drugs you take, and then you will be provided a list of plans that will best meet your needs.

You may also contact Medicare by telephone at 1-800-Medicare (1-800-633-4227). A representative will be able to help you figure out the plan that is right for you.

If you are enrolled in a Medicare managed care plan, and that plan offers a discount card only to those enrolled in the plan, then this is the only discount card option available to you.

How much does a discount card cost?

The maximum amount an insurance company can charge is \$30 per year. Rates vary by insurance company, with many charging less than the maximum allowed.

Is there any additional help for people with lower incomes?

Yes, individuals who meet certain income criteria are eligible for a \$600 annual credit to help pay for prescriptions. A single person who earns no more than \$12,569, and married couples who earn no more than \$16,862 will qualify. In order to receive the credit, a person must have a Medicare-approved drug discount card.

For what time period are these cards valid?

The discount card program will be in force from May 1, 2004 through December 31, 2005. Effective January 1, 2006, Medicare is expected to begin covering prescription drugs at some level, at which point the discount cards will no longer be available.

Do I have to go to certain pharmacies in order to get the discount?

Yes, you must go to a participating pharmacy. Once you enroll in a discount card program, the insurance company will send you a directory. You can also find the pharmacies that accept your discount card by going to www.medicare.gov, and selecting "Prescription Drug and Other Assistance Programs."

How do the Medicare-approved cards differ from the other discount cards sold?

Medicare has contracted with certain insurance companies to offer discount cards. These insurance companies have met Medicare's approval based on their stability and experience in offering prescription drug discounts. While other insurance companies may sell discount cards, only those with the Medicare seal have met Medicare's approval.

Can I have more than one discount card?

You may only have one Medicare-approved drug discount card at a time. You can also enroll with other non-Medicare discount cards. You may experience savings with those plans as well.

Where can I get more information?

On the Medicare website, you can download a "Guide to Choosing a Medicare Approved Drug Discount Card." This 30-page guide is an excellent resource for finding answers to your detailed questions. In addition, your RSI team of Consultants and Benefit Service Specialists are always available to provide assistance.

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