Senator Tom Daschle's

Report to Medicare Beneficiaries

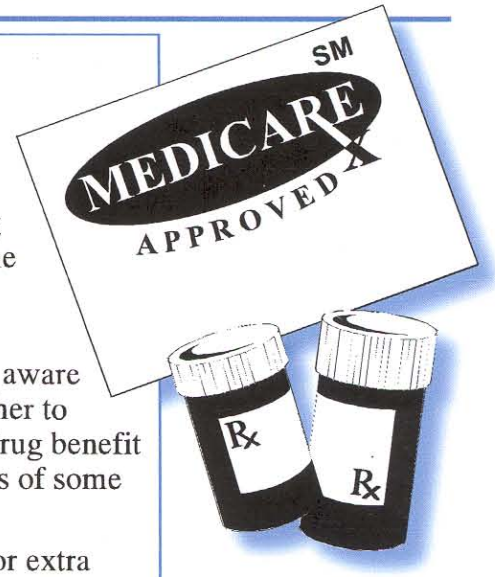
Information for South Dakota Seniors and People with Disabilities

Spring 2004

Medicare-Approved Prescription Drug Discount Cards: What You Need To Know

Dear Medicare Beneficiary:

High prescription drug prices are placing a heavy financial burden on many of South Dakota's seniors. If you are eligible for Medicare, you may be considering enrolling in a new Medicare-approved drug discount card. Private companies can begin enrolling seniors in these card programs on May 3, and you can begin using the cards on June 1. These cards will be available until 2006.



The purpose of this newsletter is to help you navigate the very confusing process of enrollment and using the cards. You should be aware of the potential pitfalls as you make the important decisions of whether to enroll, and, if so, which card to choose. These cards do not offer a drug benefit — they are not insurance. The cards merely offer potential discounts of some level on some drugs.

As you may know, those with lower incomes may be eligible for extra assistance. While I did not support the final Medicare bill, I fought to ensure that this assistance would be available. If you are eligible to receive this extra assistance, then a Medicare-approved drug discount card may very well be a good choice. The low-income assistance will provide you with $600 for prescription drugs purchased through the card in 2004 and $600 in 2005. Even if you qualify, there are still important things you need to know to help you choose the best card for your needs.

If you do not qualify for the extra assistance, **a Medicare-approved discount card may or may not be worthwhile to you.** You will need to evaluate the different discount cards that are available to determine the savings they will provide on your medications and the annual fee they charge. Even if you do those calculations, though, you should be aware that the drug prices may change after you are locked into your selected card.

Whatever choice you make, there are some important things you should know before you choose. I hope this newsletter provides information that will help you make an informed decision about these Medicare-approved drug discount cards.

Sincerely,

Tom Daschle

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Call Tom!

Toll-Free: 1-800-424-9094

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In Rapid City: (605) 348-7551

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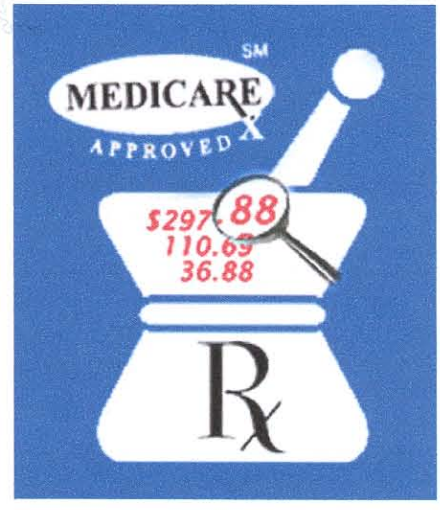
Who Is Eligible

- All Medicare beneficiaries who do not receive prescription drug coverage through Medicaid are eligible to buy a Medicare-approved drug discount card.
- If your income is less than $12,569 per year ($16,862 for a couple), you may be eligible for $600 in drug assistance in 2004 and $600 in 2005 – as long as you do not have prescription drug coverage from a current or former employer or from Medicaid.

Be A Smart Shopper



- You should choose a Medicare-approved drug card carefully. Once you enroll in a discount card, you will not be able to switch cards until the end of the year.
- You may have to choose between several Medicare-approved drug cards. The savings on a particular prescription drug will likely vary from card to card, and discounts may not be available at all pharmacies. You should also be aware that discounts can change after you join a discount card, and the cards can stop offering a discount on a particular drug. Even so, you will not be permitted to switch cards before the end of the year.
- You will need to do some homework to determine whether, and, if so, which Medicare-approved drug card is best for you. You should not rely only on information provided by a company sponsoring a Medicare-approved drug card. You may need more information to determine which discount card gives you the most savings.
- To determine which Medicare discount card is best for you, you need to compare the prices of all of your medications under each of the drug cards available in your area. Again, you should be aware that these discounts may change. You will also need to find out if there is an annual fee for a drug card (which can be as high as $30 per year). Medicare's website (www.medicare.gov) will help you compare the Medicare-approved drug cards in your area. If you do not have access to the Internet, you can call 1-800-MEDICARE for assistance, but you may have to wait to receive the information you request by mail. Another source of information on the Medicare discount card is the Medicare Rights Center (http://www.medicarerights.org/rxcardhandoutframeset.html).

Medicare on the internet: www.medicare.gov
or call: 1-800-MEDICARE

Medicare Rights Center: http://www.medicarerights.org/rxcardhandoutframeset.html

Top 5 Things Seniors Should Know

1) Evaluate all of your alternatives. A Medicare-approved drug discount card may not offer discounts that are better than what is already available. You should consider all of your options, including existing discount cards that are not "Medicare approved."

2) Beware of "bait and switch" tactics. If you choose a Medicare-approved drug discount card, you must stay with that card for the rest of the year. But the company offering the discount card can change its drug prices every week. If the price of your medications under your discount drug card changes significantly during the year, you should report this problem to 1-800-Medicare, but you may still have to pay higher prices than you anticipated when you enrolled.

3) Make sure your pharmacist accepts your card. Not all pharmacists will accept all Medicare-approved drug discount cards. Before enrolling in a discount card, be sure that your pharmacist will accept that card.

4) Watch out for discount cards that steer you to a single company's drugs. Medicare-approved discount cards may offer large discounts for drugs made by one drug manufacturer, but only small discounts for drugs made by all other manufacturers. Ask the company offering the discount card if they favor drugs from one drug manufacturer over others.

5) Make sure the company selling the discount card is legitimate. With so many different companies and cards out there, it will be easy for unscrupulous people to sell fraudulent drug cards. If someone says they are selling you a Medicare-approved discount card, make sure the discount card has the official Medicare logo shown on page 1 of this newsletter.

Watch Out For Scams

- Never share personal information like your bank account number, Social Security number, or health insurance card number with anyone who says they are selling a Medicare-approved drug discount card.
- Medicare prohibits people who are selling Medicare-approved drug cards from making unsolicited phone calls to you or visiting your home. If someone tries to sell you a discount card over the phone or at your doorstep, you should report them by calling 1-800-MEDICARE, the fraud hotline at the Office of the Inspector General at 1-800-447-8477, or your local police department.

A Closer Look at Low-Income Assistance

- To apply for low-income assistance, you will need to fill out a separate application form (in addition to the enrollment form for the Medicare-approved discount card).
- If you qualify for low-income assistance, the government will provide you $600 for drug expenses in 2004 and $600 in 2005. Any of the $600 that is not used in 2004 can be carried over to 2005.
- Eligibility for this low-income assistance is determined by your income, family size, and whether you have other prescription drug coverage. I fought and won the battle to ensure that you cannot be disqualified because of the value of your assets.
- If you are eligible for low-income assistance, the government will cover the discount card's annual fee and 90 to 95 percent of your drug costs until your reach $600 for the year.

I need your input. Please contact me with your thoughts on Medicare issues.

Contact Tom Daschle

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