

Tina Kitchin, Administrator

Authorized Signature

Number: SPD-IM-04-038

Issue Date: 05/17/2004

Topic: Medicaid

Subject: Medicare Drug Discount Card; Update and Questions and Answers

Applies to (check all that apply):

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|--------------------------|-------------------------------|--------------------------|--------------------------------------|
| <input type="checkbox"/> | All DHS employees | <input type="checkbox"/> | County Mental Health Directors |
| X | Area Agencies on Aging | <input type="checkbox"/> | Health Services |
| X | Children, Adults and Families | X | Seniors and People with Disabilities |
| X | County DD Program Managers | X | Other (please specify): Brokerages |

Message:

Highlights of the Medicare Drug Discount Card program were previously explained in SPD-IM-04-027. This provides a repeat summary of the important information and answers to a series of questions from case managers and others.

Effective May 3, 2004, Medicare beneficiaries can begin submitting applications for enrollment into the Medicare Drug Discount Card Program. This program is not available to Medicare beneficiaries who already receive prescription drug coverage through Medicaid. It will primarily benefit QMB, SMB and SMF clients who do not get the OHP Plus benefit package. With the Medicare Drug Discount Card, these clients will:

- get the card at no cost,
- have it loaded with a \$600 credit which must be spent in conjunction with a 5% or 10% copay, and
- even after the credit is spent, be able to purchase prescription drugs at a discounted price.

Medicare beneficiaries with income over 135% of the federal poverty level can also be eligible for the card, but they will:

- have to pay up to \$30 for it,
- not get a credit, and
- only be able to purchase prescription drugs at a discounted price.

To apply for the Medicare Drug Discount Card Program, clients must submit their

application to a Medicare-approved Drug Discount Card sponsor. Clients decide which sponsor will give them the greatest benefit based on their specific prescription needs by:

- calling 1-800-MEDICARE,
- accessing the web site at www.Medicare.gov, or
- contacting the local SHIBA office or calling 1-800-722-4134 for one-on-one counseling.

The earliest date that Medicare Drug Discount Cards can be used is June 1, 2004. The program ends December 31, 2005. Following are common questions and answers that have arisen around the implementation of this new program.

1. How does a client navigate the system at www.Medicare.gov, to get information specific to their prescription needs?

Under the heading “Search Tools”, click on “Prescription Drug and Other Assistance Programs.” On the page that comes up, click on “Quick Search.” On the next page, the client enters their zip code and specific prescription drugs needed. The client clicks on “Continue” and answers subsequent questions on the following pages, such as their drug dosage amount and how far they want to travel to a pharmacy. Again, they must click on “Continue” at the bottom of each page. After entering all information, the client can access a list of Medicare-approved sponsors in their area. The list shows which sponsors can provide all of the needed prescriptions and at what cost. The client enters a check in the box preceding any card sponsor and presses “Continue” for details on the participating pharmacies that will accept the sponsor’s card. On the page showing the pharmacies, the client can also click on the card sponsor’s name to get the address for submitting a Medicare Drug Discount Card application to the sponsor. Also from this page, some companies provide a link directly to their web site to apply for the discount card on line.

2. Should clients apply for cards with more than one Medicare-approved sponsor?

Clients can have only one Medicare Drug Discount Card in a calendar year. For clients who want to change their card sponsor for 2005, there will be an open enrollment period from November 15, 2004 through December 31, 2004. There are a few exceptions to this, for example, if the card sponsor terminates business or the client moves out of the area served by the discount card, the client will be able to change sponsors mid-year.

3. How does a client get an application for the Medicare Drug Discount Card Program? Will applications be available in languages other than English?

The Centers for Medicare and Medicaid Services (CMS) has developed two standardized applications for the Drug Discount Program. One application is for the

discount card only and the other is for low-income clients applying for the discount card and the \$600 credit. Clients who call 1-800-MEDICARE can have standardized applications sent to them, which can be used to apply with any sponsor. Clients can also choose their discount card sponsor, then contact the sponsor for an application form. Many of the sponsors have the forms available to print from their web sites or available to complete on-line. The CMS standardized applications also will be translated into about 12 other languages. Clients will need to request translations either through 1-800-MEDICARE or by contacting their chosen discount card sponsor to inquire about the availability of translated forms.

4. I understand that some states will auto-enroll clients into the Medicare Drug Discount Card Program. Will Oregon be doing this?

No. Oregon does not qualify for auto-enrollment.

5. After a client submits an application, when will benefits begin?

The drug discount card will be effective the first of the month following the month in which the Medicare-approved sponsor receives the application. Therefore, the sponsor must receive the application by May 31, 2004 in order for a client's benefits to be effective June 1, 2004.

6. How much time is allowed for the Medicare-approved sponsor to make the eligibility determination?

There is no time period specified for the eligibility determination. The application will be forwarded to CMS to verify that the client is not a dual eligible receiving Medicaid benefits with prescription drug coverage (from the list provided by the Department to CMS), and to verify income through the Social Security Administration and the Internal Revenue Service.

7. I have an SMF client with \$1055 monthly income. After the \$20 deduction, the adjusted income meets the \$1047 limit for SMF. However, the client's yearly income of \$12,660 exceeds the 135% federal poverty level amount of \$12,569. Is this client over income for the Medicare Drug Discount Card Program?

No, clients on QMB, SMB and SMF will be deemed to have met the income limit for the Drug Discount Card Program. Their eligibility will still have to be evaluated, however, and will be denied if they have other government or private insurance with prescription drug coverage.

8. What income sources will count in the eligibility determination?

All income that the client has available for living expenses, even if that income is not

taxable.

9. *When a client is eligible for the \$600 credit, how will they know how much is remaining as they use the credit?*

The pharmacy will swipe the card like any other debit card as the client uses the benefits, and provide the client with a receipt showing the remaining balance.

10. *If clients are already receiving pharmaceutical company drug subsidies (i.e., Compassionate Care Drug Programs), will the Medicare Drug Discount Card affect the subsidy eligibility?*

CMS hopes that it will not. However, pharmaceutical companies will make their own decisions in this regard. We understand that some companies have already changed their policy to exclude all Medicare beneficiaries from their program.

If you have any questions about this information, contact:

Contact(s):	Joanne Schiedler; Dale Marande		
Phone:	(503) 947-5201; (503) 945-6476	Fax:	(503) 373-7902
E-mail:	Joanne.r.schiedler@state.or.us dale.f.marande@state.or.us		