



CMA Weekly Alert – June 23, 2005

**IT'S NOT TOO LATE
TO GET TRANSITIONAL ASSISTANCE WITH DRUG COSTS:
\$450 VALUE IF YOU APPLY BEFORE JUNE 30, 2005**

With press attention turned toward issues of implementation of Medicare's prescription drug benefit six months hence, there has been little focus on the Medicare-endorsed discount drug cards that became effective June 1, 2004. Although the value of each card varies, transitional assistance (TA) available to low income beneficiaries has a fixed monetary value that is applicable to virtually all prescription drugs, regardless of whether their price is discounted by the particular card in which one has enrolled. The current value of transitional assistance is \$450; that will be reduced to \$300 on July 1, 2005.

Individuals with incomes below 135% of poverty (currently \$12,920/year; \$1,077/month for an individual; \$17,321/year; \$1,444/month for a couple) and no other out-patient prescription drug coverage (including Medicaid) may be entitled to TA. To get TA, beneficiaries must enroll in a discount drug card. They can apply for the card and TA at the same time (see below), or can download a universal TA application from <http://www.medicare.gov/medicarerereform/EnrollmentForms.asp>. Although some cards have an enrollment fee, individuals receiving TA are exempt from paying such a fee.

In determining whether an individual qualifies for transitional assistance, the Medicare agency will look to adjusted gross income as determined by the Internal Revenue Service. Medicare will also include social security and other retirement income when calculating adjusted gross income.

Beneficiaries with internet access may find information about TA, as well as information on available cards, how to apply for them and how their prices compare to other cards, at www.medicare.gov/medicarerereform. Those without such access can call 1-800-Medicare for assistance with applying for a card and TA. When calling, beneficiaries should be ready with information about all their prescriptions, including dosage and frequency, their Social Security Number, their spouse's Social Security Number, their Medicare number (if different from social security number), and knowledge of their approximate monthly income. Also having the name and location of their favorite pharmacy will help in determining the best card for the beneficiary.

When evaluating which card to choose, older people and people with disabilities should consider the following:

1. Enrollment in a Medicare-endorsed prescription drug discount card entitles someone to access discounted prices for certain drugs as negotiated by the prescription drug card plan. Enrollees

pay the full cost of the negotiated rate of the prescriptions they purchase, except that those with TA can apply their TA credit toward those prices until the TA is exhausted.

2. Discount card sponsors do not have to negotiate discount prices on all drugs, though they must offer discounted prices on at least one drug in each larger category of prescriptions.

3. The price of the same prescription may vary depending on the pharmacy. The price of the prescription includes a dispensing fee. Card sponsors may negotiate different rates with different pharmacies.

For further information about the discount card, transitional assistance or the Medicare Prescription Drug benefit, contact attorney Patricia Nemore (pnemore@medicareadvocacy.org) or attorney Vicki Gottlich (vgottlich@medicareadvocacy.org) in the Center for Medicare Advocacy's Washington, DC office at (202) 216-0028.