

Medicare Prescription Drug, Improvement and Modernization Act of 2003

Signed into law 12/08/03

Provisions:

2004 - More \$\$ to attract medical services to rural and remote U.S.

2005 - Part B improvements: wellness exam for first 6 months of part B and blood tests for cardiovascular problems and diabetes

2006 - Part D, prescription drug plans, begin

Monies to enable employer- and union-pharmacy assistance programs to retain retirees in their programs

Interim relief: Drug discount cards, sold from June 2004 till late 2005. Cards can be used till 5/15/06

Both DDC and part D are not available directly through Medicare but are purchased from independent providers such as HMOs and insurance companies. 70 cards nationwide; 40 in Illinois

Four aspects to DDCs:

- 1) Free to low income and include \$600 credit per year
- 2) Up to \$30 per year fee for others
- 3) Not available to those on Medicaid including Illinois SeniorCare
- 4) Provider must have formulary with drug for every illness but not all drugs. Cards not necessarily accepted at all pharmacies. Discounts vary

Major problem with selecting a card - must compare prescription needs with drugs individual providers have in their formulary. Senior also must determine if card acceptable at the pharmacies he or she uses

Can still sign up for a card and get credit but \$600 reduced \$150 per quarter, e.g. after March 31, credit is \$450, after June 30, \$300

Major frauds with cards

\$299 card covers all drug expenses; no additional costs

You're entitled to \$600 credit; give us your bank account number

Part D

Can join a plan between 11/15/03 and 5/15/06 without a penalty

Afterward, 1% a month penalty unless beneficiary has a prescription plan that is as good as or better than part D plan

Union- and employer-pharmacy assistance programs must send letter to senior participants outlining whether or not their plan is comparable to part D Not all drugs covered

- 1) Barbiturates, Benzodiazepines and weight loss/gain drugs excluded
- 2) Valium and Xanax not covered

All plans have to have standard level of coverage per Medicare