

# Writers' Guild-Industry Health Fund

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## Understanding the New Medicare-Approved Drug Discount Card Program

You've probably begun to hear about the new Medicare-approved drug discount card and receive information about it. To help you understand what the card is — and whether it makes sense for you — we've reviewed the official information provided by the Centers for Medicare and Medicaid Services (CMS), and put together this simple list of Qs & As.

Please take some time to review this important communication. Make sure you understand how the drug discount card program works before making a decision. If you need more information after reviewing these Qs & As, call Medicare at 1-800-Medicare or log on to their website at [www.medicare.gov](http://www.medicare.gov). You also may contact the Fund's Administrative Office directly at (818) 846-1015 or (800) 227-7863.



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**Q: Why is Medicare making a drug discount card available?**

**A:** Late last year, the Medicare Prescription Drug Improvement and Modernization Act was signed into law. This legislation is designed to provide some relief to Medicare participants who face high prescription drug costs. The legislation will be implemented in phases over the next few years. The first phase includes the introduction of drug discount cards in May 2004. These cards will be available through December 31, 2005. Then, on January 1, 2006, Medicare's new prescription drug benefit coverage will take effect and replace the cards.

**Q: What is the Medicare-approved drug discount card?**

**A:** Medicare-approved drug discount cards will generally provide a discount from 10% to 25% off the full retail price of certain prescription drugs. There is no single "Medicare" drug discount card. In fact, there are **many** different drug discount cards. That's because Medicare itself does not actually issue the drug discount cards. The cards are offered by private companies or "sponsors," such as health insurers and pharmacy benefit managers, which have been approved by Medicare.

**Q: How do the drug discount cards work?**

**A:** After you enroll for a card (you may not enroll for more than one card) and pay the enrollment fee, you'll receive a drug discount card that provides a discount off the **full retail price** of certain prescription drugs. *The amount of the discount and the types of drugs that are discounted will vary by card.* In addition, not all pharmacies accept all cards. It's up to you to do the research and choose the card that discounts the drugs you take **and is** accepted at the pharmacies you visit.

**Q: What does the card cost and what kind of discounts will I receive?**

**A:** By law, no drug discount card can cost more than \$30 a year, and some cards may cost less. The discounts will vary depending on the drug and the card you choose. Medicare officials estimate that the discounts will range between 10% and 15% off the full retail price. In certain cases, the discounts may be as high as 25% off the full retail price. For example, the full retail price of a 30-day supply of 10 mg Lipitor is approximately \$84.09; if it were discounted by 15%, you'd pay \$71.41.

**Q: Will the discounts remain the same all year?**

**A:** Not necessarily. Drug discount card sponsors are free to change the discounts they offer throughout the year. In addition, they may add or drop particular drugs that the card covers throughout the year as well.

**Q: Will I be able to change my selection of medicare-approved drug discount cards during the year?**

**A:** No, once you enroll for a card, you generally cannot change cards during the year, that's why its really important that you weigh all the facts before choosing. However, midyear card changes may be allowed under certain circumstances — for example, if you move outside the service area for your current card. For more information, call 1-800-Medicare or visit the Medicare website at [www.medicare.gov](http://www.medicare.gov).

**Q: If I purchase a medicare-approved drug discount card, can I continue to use my prescription benefits under the Fund?**

**A:** No, you **cannot** use the drug discount card and also take advantage of the prescription drug coverage you have through the Fund. It's one or the other. **Keep in mind:** If the drug you need isn't covered by the Fund, you may still purchase it using the Funds' discount drug program that became effective on May 1, 2004. This program reduces the full retail cost of most non-covered drugs by about 20%.

**Q: If I do enroll for a medicare-approved drug discount card, can I use it nationwide when I travel?**

**A:** Not necessarily. Some cards will work only within the state where the card is purchased, so you may not be able to use your card while traveling out-of-state.

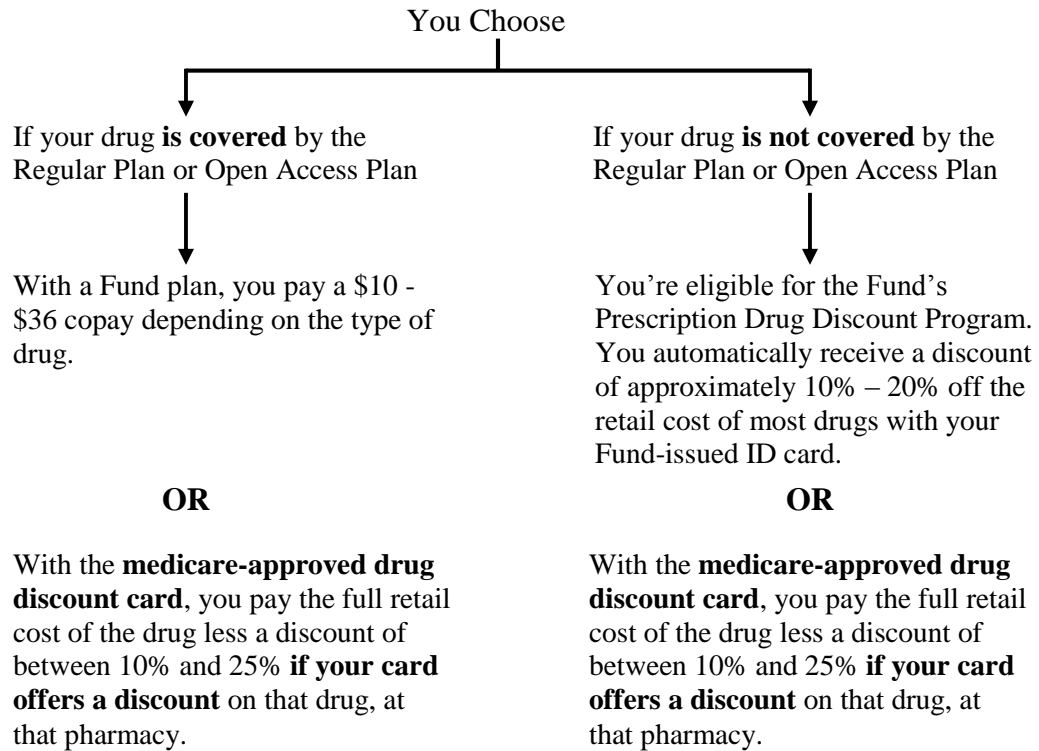
**Q: I'm Medicare-eligible. Should I purchase a medicare-approved drug discount card?**

**A:** That's up to you. Medicare's *Guide to Choosing a Medicare-approved drug discount card* tells us that if you have prescription drug coverage, or if you already get discounts on your prescriptions, you should review your coverage closely to see if a Medicare-approved drug discount card will actually save you money on your prescriptions. That's because, with the medicare-approved drug discount card, the price you pay is discounted from the **full retail cost** of the drug and your Health Fund prescription coverage may offer a better benefit.

**Q: How should I decide if I need to purchase a medicare-approved drug discount card?**

**A:** Before enrolling for a medicare-approved drug discount card, take some time to compare the prescription drug coverage you receive from the Fund with the discounts available through a medicare-approved drug discount card.

Here's a high-level look at the differences:



**Q: If I don't apply for a medicare-approved drug discount card now, can I apply at a later date?**

**A:** Yes. You can apply for a card any time. If you do, your card will be valid through December 31, 2004. Between November 15 and December 31, 2004, you'll have the opportunity to enroll for a different card for 2005. The medicare-approved drug discount card program ends on December 31, 2005.

**Q: Where can I find more information about the medicare-approved drug discount card?**

**A:** For more information, call 1-800-Medicare or log on to the Medicare website at [www.medicare.gov](http://www.medicare.gov). You also may contact the Fund's Administrative Office directly at (818) 846-1015.

We trust this information will assist you in your decision making process.

Sincerely,

Board of Trustees