

Medicare Rx Forum Briefing Document

The Medicare Modernization Act of 2003 (MMA) represents the most significant update to the Medicare program since its inception in 1965. Here are some highlights of the new law:

- The MMA adds a voluntary outpatient drug benefit (Part D) to Medicare. Nearly 43 million seniors and disabled persons will be eligible to receive this new benefit.
- The full Medicare prescription drug benefit is scheduled to begin **January 1, 2006**.
 - Interim drug discount card program started June 1, 2004 and will continue until May 15, 2006.
- Private companies will administer Part D. Seniors will have two options:
 - Drug-only plans – prescription drug plans (**PDPs**)
 - Managed care plans – Medicare Advantage prescription drug plans (**MA-PDs**)
- Seniors will have **at least two plan options** per region.
 - 34 PDP regions
 - 26 MA-PD regions
- Approved PDPs and MA-PDs will be announced by the Centers for Medicare and Medicaid Services (CMS), the agency that runs Medicare, in early September 2005.
- Medicaid drug coverage for Medicare-Medicaid dual eligible beneficiaries will be terminated on December 31, 2005.
 - Current Medicare-eligible patients who are receiving Medicaid drug coverage will be auto-assigned into Part D plans starting Fall 2005.

- Low-income Medicare beneficiaries will receive extra assistance paying for prescription drugs under Part D.
 - A pre-screening **income and assets application** from the Social Security Administration will determine eligibility for this assistance.

- Several medication classes will not be covered by the new Medicare prescription drug benefit including: Part B covered drugs, cough/cold medicines, OTC medications, barbiturates and benzodiazepines.

- PDPs and MA-PDs are required to have pharmacy networks established by August 2005.
 - All Part D plans must meet **TRICARE access standards** to be approved by CMS.

- PDPs may not include only mail order pharmacies in their Part D networks.

- If dispensing a brand name Part D drug, pharmacies must inform Medicare patients of any differential between the price of that brand and the price of the lowest-priced generic version of that drug available at that pharmacy.

- Starting October 1, 2005 pharmacists will have the opportunity to assist patients in making the most appropriate plan decision.
 - Prior to October 2005, pharmacists can only speak generally about the new Medicare prescription drug benefit.

These important points and much more will be covered during the NCPA Medicare Rx Forums: A Briefing and Town Hall on the New Medicare Prescription Drug Benefit. For more information prior to the Medicare Rx Forums, please visit www.medicareresourcecenter.com.