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Congress of the United States  
U.S. House of Representatives  
COMMITTEE ON WAYS AND MEANS  
WASHINGTON, DC 20515

SUBCOMMITTEE ON HEALTH

April 27, 2004

## Drug Discount Cards – An Update

Dear Colleague:

As we approach the start of the enrollment period for Medicare Drug Discount Cards, I wanted to provide you with an update on this important program that will immediately reduce drug prices for seniors.

On Thursday, April 29<sup>th</sup>, a comparison of drug prices will be available on <http://www.medicare.gov> and through 1-800-MEDICARE. This tool will allow seniors to compare drug prices between available discount cards at each of their local pharmacies. This information will help our seniors find the best prices for their drugs.

A recent study conducted by Harvard Medical School researchers and published last week in the peer-reviewed journal *Health Affairs* estimated that seniors currently without drug coverage will save approximately 17.4 percent on the cost of their prescriptions through the discount card program. These savings do not take into account the fact that millions of low-income seniors will receive a subsidy of \$600 towards the purchase of their prescriptions. Low-income seniors will therefore see far greater net savings off the cost of their medicines.

HHS Secretary Tommy Thompson also announced last week that the Centers for Medicare and Medicaid Services (CMS) will be taking aggressive action to crack down on any fraud and abuse in the drug card program. CMS will be working closely with the Department of Justice, FBI, and the HHS Office of the Inspector General, as well as other consumer protection agencies, to monitor drug card fraud. In addition, CMS will continue to monitor the activities conducted by Medicare-approved drug card sponsors and will log and respond to complaints. If necessary, penalties will be levied against drug card sponsors.

Beneficiaries can begin signing up for the cards on May 3<sup>rd</sup>, and discounts will be available as of June 1<sup>st</sup>.

Please let me know if you need any assistance as you develop educational pieces or organize a drug card forum to inform your constituents about this important new program. If you have any questions on this program, please contact Kathleen Weldon with the Ways and Means Health Subcommittee at 5-3943.

Very truly yours,



Nancy L. Johnson  
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Health Subcommittee  
Committee on Ways and Means