

Dear Nursing Home Administrator:

A new law gives people with Medicare the power to start saving on prescription drugs. In 2004 and 2005 people with Medicare can sign up for a Medicare-Approved Prescription Drug Discount Card. Low-income Medicare beneficiaries who do not have Medicaid outpatient drug coverage may qualify for a \$600 credit in each year. The drug card and the \$600 credit are designed to help people who are paying out of pocket for their prescription drugs. This is a voluntary program.

While there may be a limited number of nursing home residents who qualify for the drug card and \$600 low-income credit, the benefits of the card and the credit are very important to those who do. We want to make sure that your residents with Medicare who may qualify for special credit have the information they need to enroll.

There are three Medicare-approved prescription drug cards specially designed to help cover out of pocket prescription drug costs for Medicare beneficiaries residing in a nursing home who get their prescription drugs through the home's contracted long term care pharmacy and who qualify for a \$600 credit. These cards will apply the \$600 toward the cost of drugs provided through the pharmacy that serves the qualified beneficiary in the nursing home. The \$600 credit cannot be used while Medicare Part A is paying for the stay. In addition, one or more of the cards may provide discounts to nursing home residents who enroll. Check with your pharmacy provider to see if they are offering discounts through a Medicare-approved prescription drug card. The three cards designed specially for nursing home residents who get their drugs through the nursing home's contracted pharmacy and who want to get the \$600 credit if they qualify (along with contact information) are:

- LTC Card, offered by ACS State Healthcare, LLC and the Long-Term Care Pharmacy Alliance, 1-866-490-1863
- Community Care Rx, offered by Computer Sciences Corporation, 1-877-646-5307
- PBM Plus Senior Care, PBM Plus, Inc, 1-800-676-8399

We are enclosing materials developed by the Centers for Medicare & Medicaid Services (CMS) to help you, your residents and their families understand how these special drug cards work. The drug card sponsors will send you information about how their Medicare-approved discount cards and the \$600 credit work. CMS reviews and approves these materials.

While the Medicare-approved drug discount card program does not impose any legal responsibility on nursing home staff to market Medicare-approved drug discount cards or to help with enrollment, we hope that you will help identify those residents who might qualify. We

encourage you to make available information about the \$600 credit and the cards to the potentially eligible Medicare residents of your facility, their families or guardians. We also encourage you to direct them to the card sponsor's toll-free phone number to ask questions and obtain more complete information about the Medicare-approved card(s) and their specific benefits. Another important source of information for residents, and their families or guardians, about the Medicare prescription drug card program is 1-800-MEDICARE (1-800-633-4227; TTY users should call 1-877-486-2048).

CMS sponsors regular Nursing Home Open Door Forums to provide the nursing home industry with information about Medicare and Medicaid. Staff will be available on these calls to answer questions about the approved cards tailored for long-term care facility residents. You can find out about these forums and more information about Medicare-approved drug discount cards on www.cms.hhs.gov and www.medicare.gov.

Again, we hope we can count on your help in getting the benefits of this new program to all of your residents who qualify.

Sincerely,

Mark B. McClellan, M.D., Ph.D.

Enclosures