Center for **Medicare Advocacy**

Assistance with Paying for Prescription Drugs

medicareadvocacy.org/finding-help-to-get-prescription-drugs

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This page focuses on programs that help Medicare beneficiaries acquire necessary medications, although many of the programs discussed are not limited to that population. Many Americans who are still feeling the effects of the recession are struggling to find ways to save money and pay for their medications. Unfortunately, some have been forced to make the choice between prescription medications and other essentials. A January 2015 report by the National Center for Health Statistics highlights that among the poorest adults – incomes of persons far below the poverty level – almost 14 percent did not take Medications in order to save money; that another 14% had no insurance, that only 6 % had private health insurance, and that 10% of those who are Medicaid recipients skipped medications in order to cut costs.[1]

In addition, Part D beneficiaries in the "Donut Hole" (the Medicare Part D coverage gap; see our information on the Part D benefit) have to pay significant out of pocket costs. The Donut Hole will close gradually by 2020.[2]

Advocates and beneficiaries should be aware that there are programs that offer direct subsidies to pay for medications as well as programs that provide free or discounted medications. The amount of assistance varies from program to program. When looking into these programs, beneficiaries should be ready with certain information such as:

- Social Security card or number
- Most recent Social Security benefits award letters as well as letters concerning any of the following: pensions, annuities, Veterans Benefits, or Railroad Retirement benefits
- Bank account statements from several recent months including checking, savings, and certificates of deposit.
- Most recent income tax return and, if employed, recent pay stubs
- If unemployed, a letter or other document from former employer stating that you have been terminated and your health insurance has stopped
- Information on accumulated medical debt, which may affect eligibility
- Statements regarding any investments[3]

The resources listed below include programs that can act as a supplement to Medicare Part D and some that operate independently of Part D. **NOTE:** The monetary value of assistance provided by programs which operate independently of Part D cannot count toward out-of-pocket costs for Part D.[4]

Benefit Enrollment Centers

Benefit Enrollment Centers (BEC) provide coordinated benefits outreach and enrollment for a number of programs utilized by those over 65 and by those disabled persons under 65. The program provides program outreach and enrollment for the Medicaid Savings Program, Medicare Part D Extra Help (the Low Income Subsidy), Medicaid, Supplementary Security Income,

The Supplemental Nutrition Assistance Program (SNAP), as well as the State Pharmacy Assistance Programs (SPAPs).

The Centers provide enrollment screenings and assistance with applying for the above-mentioned programs. The Centers' technology-centered approaches between 2011 and 2013 were most successful at reaching a larger number of seniors and disabled younger adults when outreach occurred at local senior centers, pharmacies, libraries, and various kinds of medical centers. The BECs reached more geographically isolated individuals through word of mouth, advertising, and fliers.

To see if there is a Benefit Enrollment Center in your area, please follow this link to the National Council on Aging's website: http://www.ncoa.org/enhance-economic-security/center-for-benefits/becs/ (site visited May 26, 2015).

Medicaid Medically Needy Program

If your income disqualifies you for Medicaid, but your drug costs are high enough relative to your income then you may be eligible for the Medicaid Medically Needy Program. The program acts as a safety net for the most vulnerable, but can be difficult to navigate. A 2012 survey shows that the elderly and disabled make up 88 percent of the Medically Needy Program's spending.[5] As of 2015, 33 states and the District of Columbia had this program.[6] As more states expand their Medicaid coverage as part of the Affordable Care Act, more states have the option of expanding this program.

Individuals who have recurring medical expenses often rotate in and out the Medicaid Medically Needy Program.[7] CMS decreed in 2001 that states have the option of disregarding a person's savings, income placed into medical savings accounts, Social Security Disability Insurance, and money put into home repair when determining eligibility for this program.[8]

Perhaps the best way of registering would be to go online to see if a search provides you with information concerning whether the program is an option in your state. For example, a search for "Iowa" and "Medically Needy Program" brings you to a page concerning Iowa's program where you can answer a series of questions to determine your eligibility for the program.[9]

Medicare Savings Programs

If you meet each program's income eligibility and resource requirements (see https://www.medicareadvocacy.org/medicare-info/medicare-part-d/#MSPs) and are enrolled in or eligible for Part A, you may be eligible for a Medicare Savings Program (MSP), which can assist with deductibles, coinsurance, and copayments. Such programs include the Qualified Medicare Beneficiary (QMB) program, Specified Low-Income Medicare Beneficiary (SLMB), Qualifying Individual (QI) program, and the Qualified Disabled and Working Individuals (QDWI) program. A link to a page which describes each program's income and resource limits: http://www.medicare.gov/your-medicare-costs/help-paying-costs/medicare-savings-program/medicare-savings-programs.html#collapse-2625 (site visited May 14, 2015). If you wish to see if you qualify for a Medicare Savings Program in your state, visit the following: http://www.medicare.gov/contacts/ (site visited May 14, 2015).

Low Income Subsidy (Extra Help)

The most direct assistance for Medicare beneficiaries with prescription drug costs is the Low Income Subsidy (LIS). Please review program criteria at this link: https://www.cms.gov/Medicare/Eligibility-and-Enrollment/LowIncSubMedicarePresCov/index.html?redirect=/LowIncSubMedicarePresCov/01_Overview.asp (site visited May 12, 2015).

Both the full and partial subsidy are available if a person meets the following criteria:

- The person is enrolled in both Medicare Parts A & B
- If the person resides in one of the 50 states or in the District of Columbia
- Has resources which fall below the income and resource requirements
- File a Low Income (Extra Help) Subsidy Application[10]

It is not necessary for beneficiaries of LIS to have been previously enrolled in a Prescription Drug Plan (PDP) prior to enrolling for Extra Help. The LIS has a "full" subsidy and a "partial" subsidy. Residents in Alaska and Hawaii have higher qualifying income thresholds than other American beneficiaries. To qualify for the full Extra Help subsidy in 2015 in the 48 contiguous states and DC, your individual income needs to be at or below 135% of the Federal Poverty Level. To qualify for the partial LIS in the 48 contiguous states and DC, your individual income needs to be equal to or less than 150% of the Federal Poverty Level. LIS

also bases the amount of its premium subsidy on the amount of your countable resources.[11] Those persons who do not meet these eligibility criteria may still be eligible based on household size, earnings from work, or residency in Alaska or Hawaii.

Individuals receiving Supplemental Security Income, Medicare Savings Programs or Medicaid are entitled to the LIS without applying. The latter two programs are available through state Medicaid agencies, the former through the Social Security Administration. See https://www.medicareadvocacy.org/medicare-info/medicare-part-d/#LIS for LIS cost sharing.

Program of All-Inclusive Care for the Elderly (PACE)

One may be eligible for Program of All-Inclusive Care for the Elderly if the following criteria are met: 1.) your region has a PACE organization, 2.) if you have either Medicare or Medicaid, 3.) you are 55 or older, and 4.) need nursing care. If Medicare will not cover a Medication and you meet these criteria, you may be eligible for assistance. To check and see if your state has a PACE program, please follow the link to a source posted January 2015: http://www.npaonline.org/website/download.asp?id=1741%26title=PACE_in_the_States (site visited May 13, 2015).

Incurred Medical Expense Deduction: Help for Some Medicaid Beneficiaries

Medicaid beneficiaries who live in nursing homes or in assisted living facilities under a home and community-based waiver are ordinarily required to pay most of their income to the facility as their "share of cost." A provision in the Medicaid law, however, allows Medicaid beneficiaries to deduct the costs of certain medical expenses from the amount they must pay for their nursing home or assisted living facility stay. When a beneficiary uses the "incurred medical expense deduction," the state Medicaid agency accounts for this in its payment to the nursing home or assisted living facility[12] In calculating a Medicaid beneficiary's share of cost for a nursing home or assisted living stay, the Medicaid law requires states to allow a beneficiary to pay for health insurance premiums, deductibles, and coinsurance, without any limitations on those payments. It also allows a beneficiary to deduct the costs of medical services that are recognized by state law but not covered by the state's Medicaid plan. While the deduction has most often been used by beneficiaries to pay for prescription drugs, eyeglasses, hearing aids, and dentures that their state has not included in its Medicaid program or that exceed the state's coverage, the deduction is also useful for getting prescription drugs that are not covered by a resident's Part D drug plan or that are excluded from Part D coverage altogether. A complete explanation of how to use the incurred medical expenses deduction and the myriad Part D related costs for which it can be used is found in the document referred to in the introduction.

State Pharmaceutical Assistance Programs (SPAPs)

SPAPs are state-funded programs that provide low-income and medically-needy senior citizens and (sometimes) individuals with disabilities financial assistance for prescription drugs. About twenty-three states and one territory offer these programs to Part D enrollees. Each program has its own eligibility and coverage rules. Assistance from qualified SPAPs counts toward out-of-pocket costs. The National Conference of State Legislatures keeps a list of SPAPs and other state programs, and closely follows new developments in state drug coverage at http://www.ncsl.org/Default.aspx?TabId=14334#Subsidy (site visited May 12, 2015).

Pharmacy and Retailer Prescription Drug Discount Programs

Discount drug cards offered through chain pharmacies for a small monthly premium provide discounts on a number of services, including prescription drugs. Individuals with a Part D plan may use a discount card, but the two drug programs operate independently of one another. That is, drug card discounts cannot be applied to Part D prices or to Part D copayments, nor can the cost of drugs purchased using a discount card be applied toward Part D out-of-pocket costs. Discount cards may be useful for the purchase of drugs that are excluded by Part D, or for individuals who have reached the donut hole but will not have sufficient drug costs to reach catastrophic coverage. Discount cards also provide discounts on services or supplies not covered by Medicare, such as those relating to vision and dental. The utility of these cards depends on each individual's situation and will likely require detailed calculations of costs and savings.

Some chains such as Walgreens and Rite Aid have links to discount cards sponsored by pharmaceutical companies or to discount websites, and therefore have not been included in the document listed in the introduction. See Walgreens at http://www.walgreens.com/pharmacy/psc/psc_overview_page.jsp (site visited May 12, 2015) and Rite Aid at https://www.riteaid.com/pharmacy/prescription-savings/rite-aid-prescription-savings-program (site visited May 12, 2015). For a range of drug store discount cards options, see, https://www.google.com/search?q=drug+discount+card&ie=utf-8&oe=utf-8 (site visited May 27, 2015).

Pharmaceutical Company Prescription Drug Discount Programs (Patient Assistance Programs, or PAPs)

PAPs operate outside of Medicare Part D and offer free or reduced-cost prescription drugs – mostly to persons with low incomes and no insurance – may still be able to offer assistance to Medicare Part D enrollees. Assistance from PAPs does not count toward Medicare Part D out-of-pocket costs (i.e. toward meeting the deductible, initial coverage limit, and catastrophic coverage. PAPs usually require patients to apply for and be rejected by all other available public assistance as a condition of eligibility, including the Part D low-income subsidy. See the CMS link about PAPs: http://www.medicare.gov/pharmaceutical-assistance-program/index.aspx (site visited May 15, 2015).

Insurance Company Prescription Drug Discount Programs

1. *BlueCross/BlueShield*

The BlueCross BlueShield Prescription Drug Discount Program offers a discount to members for specific drugs not covered under the regular prescription drug benefit. It provides discounts on prescription drugs at most retail pharmacies. Information on this program can be found at https://www.fepblue.org/en/wellness-resources-and-tools/wellness-resources/discount-drug-program/ (site visited May 12, 2015).

2. *AARP Prescription Discounts*

The AARP Prescription Discounts program allows any AARP member to save up to 38% at participating pharmacies. There aren't any application or annual fees. The program's details can be found here: http://www.aarphealthcare.com/health-discounts/prescription-discounts.html (site visited May 14, 2015).

For an overview of prescription assistance, see generally: http://www.webmd.com/healthy-aging/patient-assistance-programs-for-prescription-drugs.(site visited May 27, 2015).

Assistance Targeted To Hepatitis and HIV/AIDs Patients

1. *Assistance with Hepatitis Medications*

Some leading drug companies are providing assistance towards those persons taking expensive Hepatitis drugs. The page can be found at: http://www.hepmag.com/articles/hepatitis_paps_copays_20506.shtml (site visited May 13, 2015).

The Patient Advocate Foundation also provides copay relief for Hepatitis B medications at: http://copays.org/news/hepatitis-b-patients-can-now-access-co-payment-assistance (site visited May 13, 2015).

2. *Assistance with HIV Medications*
   http://aids.about.com/od/assistanceprograms/a/patient_help.htm (site visited May 13, 2015)

Some of the leading HIV drugs can be expensive, exceeding $1,000 a pill. .Various prescription drug companies offer financial assistance to beneficiaries to cover these copayments. http://aids.about.com/od/assistanceprograms/a/patient_help.htm (cite visited 5/13/15).

3. *AIDS Drug Assistance Program (ADAP)* http://www.atdn.org/access/ (site visited May 12, 2015)

ADAPs provide crucial prescription drug coverage to HIV/AIDS patients as a payer of last resort. Assistance from ADAPs does not count toward out-of-pocket costs to meet the Part D catastrophic coverage threshold as it is partially funded with federal dollars. Assistance from ADAPs is available for low-income, uninsured or underinsured individuals with HIV/AIDS.

Please review the ADAP information at the Kaiser Family Foundation's website on the ADAP program at: http://kff.org/hivaids/fact-sheet/aids-drug-assistance-programs/ site visited May 27, 2015). It provides a useful overview of the program concerning such things as eligibility criteria as well as information concerning ADAP waiting lists.

According to a 2013 study, 47 states as well as the District of Columbia received ADAP dollars from the federal government. Annual federal appropriations and other income sources determine the budget of an ADAP in your region. The 2013 ADAP budget was $2.01 billion with 40 percent paid for by drug rebates, 39% paid for by the federal government, and 11% paid for by states.[13] If a person residing in Oregon wishes to look into eligibility for ADAP in his/her state, he or she can search for "ADAP" and "Oregon." The Oregon government provides a page concerning eligibility as well as a link to an application.[14]

Mail Order and Internet-based Discount Pharmacies

On-line pharmacies may specialize in particular types of pharmaceuticals and related supplies, such as diabetes and respiratory supplies, or long-term and chronic condition medications.

Additional Resources

1. *National Organization for Rare Disorders (NORD)* http://www.rarediseases.org/rare-disease-information/resources-tools/financial-med-assistance (site visited May 12, 2015).

NORD'S Medication Assistance Programs help people obtain prescriptions they could not otherwise afford or that are not yet on the market. Qualification is based on a sliding scale based on income.

2. www.RxHope.com (site visited May 12, 2015)

RxHope is a patient assistance program that links patients with programs based on the specific medication that they take.

3. www.NeedyMeds.org (site visited May 12, 2015)

Needymeds.org provides a variety of services for patients including: links to patient assistance programs, assistance with filling out applications, and discount drug cards.

4. www.PatientAssistance.com (site visited May 12, 2015)

This page has information concerning over 1,000 patient assistance programs and can manage all of your programs in one convenient place.

5. www.PPARX.org (site visited May 12, 2015)

The Partnership for Prescription Assistance helps patients without prescriptions drug coverage get free or low-cost medications.

6. www.copays.org (site visited May 12, 2015)

The Patient Advocate Foundation (PAF) Co-Pay Relief Program (CPR) provides direct financial support for pharmaceutical co-payments to insured patients, including Medicare Part D beneficiaries, who financially and medically qualify.

7. www.healthwellfoundation.org (site visited May 12, 2015)

The HealthWell Foundation provides financial assistance to eligible individuals to cover coinsurance, copayments, healthcare premiums and deductibles for certain treatments and medications.

8. http://www.scbn.org/ (site visited May 12, 2015)

For those persons without enough free time to apply for assistance programs, SCBN is willing to help if you pay your dues to the organization. Once becoming a member of SCBN, the organization applies to every prescription assistance program for you.

Conclusion

A Medicare beneficiary may run into various costs that makes purchasing prescription drugs a financial struggle. The astronomically high costs of cancer, Hepatitis, and HIV/AIDs drugs, for instance, can be daunting. Even so, we encourage persons to see the information and services they need. We are fortunate that the array of options is expanding through private, public, and nongovernmental options.

Additionally, the complex Part D program can deter a beneficiary from selecting the most appropriate Part D coverage plan. The Center for Medicare Advocacy provides a variety of information concerning Part D to help beneficiaries better understand the intricacies of the program. Our website provides a discussion of topics relating to special enrollment periods for Part D, coverage. See our discussion of Part D which can be found at: https://www.medicareadvocacy.org/medicare-info/medicare-part-d/ (site visited May 14, 2015).

[1] Howard LeWine. "Millions of Adults Skip Medications Due to Their High Costs." Harvard Health Blog. 30 January 2015. http://www.health.harvard.edu/blog/millions-skip-medications-due-to-their-high-cost-201501307673 (site visited May 12. 2015).

[2] Kaiser Family Foundation. "A Primer on Medicare: Key Facts about the Medicare Program and the People it Covers." March 2015. p. 12-14.

[3] US Social Security Administration. https://secure.ssa.gov/i1020/Ee001Submit.do (site visited May 12, 2015). This link provides requirements for qualifying for the Low Income Subsidy, but many of these same requirements apply to other assistance programs as well.

[4]Center for Medicare Advocacy. "Part D / Prescription Drug Benefits." https://www.medicareadvocacy.org/InfoByTopic/PartDandPrescDrugs/PrescDrugs_09_06.18.AssistancePrograms.htm (site visited May 28, 2015).

[5] Kaiser Commission on Medicaid and the Uninsured. "The Medicaid Medically Needy Program: Spending and Enrollment Update." December 2012. https://kaiserfamilyfoundation.files.wordpress.com/2013/01/4096.pdf (site visited May 12, 2015). p. 1-2.

[6] "How Does Medicaid Treat Income?" Elder Law Answers. http://www.elderlawanswers.com/how-does-medicaid-treat-income-12017 (site visited June 29, 2015). "Medically Needy." Iowa Department of Human Services. https://dhs.iowa.gov/ime/members/medicaid-a-to-z/medically-needy (site visited June 29, 2015).

[7] Kaiser Commission on Medicaid and the Uninsured. "The Medicaid Medically Needy Program: Spending and Enrollment Update." https://kaiserfamilyfoundation.files.wordpress.com/2013/01/4096.pdf (site visited May 14, 2015). p. 16.

[8] CMS. "Medicaid Eligibility Groups and Less Restrictive Methods of Determining Countable Income and Resources: Questions and Answers." 11 May 2001. http://www.nchsd.org/libraryfiles/MBI/CMS_Section1902r2Guidance.pdf (site visited May 13, 2015).

[9] Iowa Department of Human Services. "Medically Needy: Who Does Medically Needy Cover?" https://dhs.iowa.gov/ime/members/medicaid-a-to-z/medically-needy (site visited May 14, 2015).

[10] US Social Security Administration. 12 May 2015. https://secure.ssa.gov/i1020/start (site visited May 12, 2015).

[11] "2015 Federal Poverty Level Guidelines: 2015-2016 LIS Qualifications and Benefits." Medicare Part D Blog. 10 February 2015. http://www.q1medicare.com/q1group/MedicareAdvantagePartD/Blog.php?blog=2015-Federal-Poverty-Level-Guidelines–2015-2016-LIS-Qualifications-and-Benefits&blog_id=442&frompage=8 (site visited May 12, 2015).

[12] Patricia Nemore. "Medicare Part D: Issues for Dual Eligibles on the Eve of Implementation." Kaiser Family Foundation. November 2005. https://kaiserfamilyfoundation.files.wordpress.com/2013/01/medicare-part-d-issues-for-

dual-eligibles-on-the-eve-of-implementation-issue-brief.pdf (site visited May 14. 2015).

[13] Kaiser Family Foundation. "AIDs Drug Assistance Programs (ADAPs)." April 2014. https://kaiserfamilyfoundation.files.wordpress.com/2014/04/1584-13-aids-drug-assistance-programs.pdf (site visited May 14, 2015). p. 1-2.

[14] Oregon Health Authority. http://public.health.oregon.gov/DiseasesConditions/HIVSTDViralHepatitis/HIVCareTreatment/CAREAssist/Pages/Forms.aspx (site visited May 14, 2015).