I am James Firman, President and CEO of The National Council on the Aging (NCOA) – the nation's first organization formed to represent America's seniors and those who serve them. Founded in 1950, NCOA is a national network of organizations and individuals dedicated to improving the health and independence of older persons; increasing their continuing contributions to communities, society and future generations; and building caring communities. Our 3,800 members include senior centers, area agencies on aging, faith-based service agencies, senior housing facilities, employment services, and consumer organizations. NCOA also includes a network of more than 14,000 organizations and leaders from service organizations, academia, business and labor who support our mission and work.

I also chair the newly formed Access to Benefits Coalition (ABC), a public-private partnership of over 70 diverse organizations dedicated to ensuring that lower income beneficiaries know about and can make optimal use of new Medicare prescription drug benefits and all other available resources for saving money on prescription drugs.

I appreciate having the opportunity to participate in today's hearing: *Medicare Drug Discount Card: Delivering Savings for Participating Beneficiaries*. Enactment of the new Medicare law is the single-most important opportunity to help lower income Medicare beneficiaries to have emerged in the past 40 years. Of immediate significance is the fact that Medicare-approved discount cards include a $600 transitional assistance (TA) credit this year and next for those with annual incomes below 135 percent of poverty (this year, $12,569 for singles; $16,862 for couples), regardless of assets. The credit is not available to those with drug coverage from Medicaid, FEHBP, TRICARE for Life or an employer group plan.

Savings for Lower Income Beneficiaries: Opportunities and Challenges

To achieve the law's full potential, it is imperative to maximize TA enrollment as well as savings from other programs for lower income beneficiaries. We know from experience and research that this population is more likely to have chronic and/or cognitive illnesses and tends to be very difficult to reach, with enrollment goals hard to achieve.

In recent years, government agencies at all levels, voluntary organizations and foundations have been involved in efforts to identify and enroll low-income beneficiaries who

are eligible for but not receiving needed benefits from government and private programs. To date, success on this front has been at best inconsistent and uneven.

For example, take-up rates for the Qualified Medicare Beneficiary (QMB) and Specified Low-Income Medicare Beneficiary (SLMB) programs – for beneficiaries with incomes below 120 percent of poverty – are estimated at only 43 percent. Participation in the Qualified Individual (QI) program – for beneficiaries with incomes between 120 and 135 percent of poverty – is significantly lower. Take-up rates for Food Stamps and the SSI elderly program are estimated to be as low as 54 and 50 percent, respectively. The bottom line is that millions of vulnerable, low-income seniors and younger persons with disabilities are not receiving the assistance they are eligible for. We must do better. We can.

One way to do better is to shift the focus from *benefit-centered* outreach and enrollment to *person-centered* outreach and enrollment. Previous efforts to find people eligible for a specific low-income benefit have been akin to finding needles in a haystack. Each benefit program conducts its own expensive efforts to find low-income individuals and enroll them in a single benefit. The next program that comes along essentially repeats the same process. We believe it makes more sense now to gather together all of the piles of needles that have already been located through various public and private sector initiatives, and enroll those people in a range of different savings programs for which they are eligible.

In order to maximize available savings, most low-income beneficiaries will need to enroll in a Medicare-approved discount card, in the annual $600 credit, AND enroll in additional public and private savings programs in order to afford the prescription drugs they need to maintain their health and improve the quality of their lives. Then, beginning in 2006, low-income beneficiaries will have a different set of options regarding enrollment decisions in the new Medicare Part D benefit which, unlike eligibility for the annual $600 credit, includes an asset test.

There are both short-term and long-term imperatives and opportunities to ensure that as many lower income seniors as possible get the new benefits. In 2004 and 2005, there will be an estimated 7.2 million low-income beneficiaries who will be eligible to receive the $600 credit. However, the Center for Medicare and Medicaid Services (CMS) has estimated that 2.7 million of those eligible will fail to enroll and will forfeit the benefit. An estimated 14.1

million seniors will be eligible for the full low-income benefits which begin in January 2006. These benefits will pay for between 85 percent and almost 100 percent of prescription drug costs. But the Congressional Budget Office estimates that 5.4 million low-income beneficiaries will not receive these benefits in 2013. In our view, it is unacceptable that so many in need will forego these essential savings.

We are pleased that the Congress, including key members of this Committee, share our concerns about the importance of ensuring that vulnerable lower income beneficiaries receive the new Medicare benefits to which they are entitled. Strong, clear report language was included in the Medicare bill on improving outreach to lower income beneficiaries. The language states:

> "[T]he Conferees expect that… HHS will place a priority on, and make a best and concerted effort to, ensuring that the lower income seniors are aware of the additional benefits available to them and how to enroll. Therefore, the public information campaign should include a program of outreach, information, appropriate mailings, and enrollment assistance with and through appropriate state and federal agencies, including State health insurance counseling and assistance programs, in coordination with other federal programs of assistance to low-income individuals, to maximize enrollment of eligible individuals. In addition, special outreach efforts shall be made for disadvantaged and hard-to-reach populations, including targeted efforts in historically underserved populations, and working with low-income assistance sites and a broad array of public, voluntary, and private community organizations serving Medicare beneficiaries. Materials and information shall be made available in languages other than English, where appropriate." [Joint Explanation Statement of the Committee of Conference, page 432]

We are committed to ensuring that as many lower income Medicare beneficiaries as possible know about and take advantage of the "safety net" provisions of the new law. We view this as an extraordinary and time-sensitive opportunity to organize and mobilize a broad public-private partnership to increase projected beneficiary participation rates.

The Access to Benefits Coalition

The importance of ensuring that those in greatest need receive the help they are entitled to is underscored by the significant opportunities and challenges inherent in enrolling low-income beneficiaries in the Medicare discount card $600 credit program. While

government efforts will reach many low-income beneficiaries, years of experience tell us that there also needs to be complementary, coordinated initiatives that go much deeper into the community in order to educate consumers and their families, help them make informed choices and facilitate their actual enrollment in the new Medicare benefits.

In response to these challenges and opportunities, NCOA and over 70 national non-profit organizations have formed the Access to Benefits Coalition (ABC). ABC members share an interest in helping lower income Medicare beneficiaries (including both those aged 65 and over as well as younger persons with disabilities who qualify) find the public and private prescription savings programs they need to maintain their health and improve the quality of their lives.

Every member organization shares a commitment to helping lower income Medicare beneficiaries connect to new Medicare and other prescription drug benefits, both public and private. The national coalition represents a diverse group of senior, disability, faith-based, minority, provider, consumer, and advocacy organizations, and is growing on a weekly basis. The organizations have unique reach and credibility among Medicare beneficiaries. The current list of ABC members is attached.

The Coalition's short-term objective is as ambitious as it is clear: to ensure that by the end of 2005, at least 5.5 million low-income beneficiaries get the $600 annual credit as well as other public and private benefits that can save them money on their medicines. By the end of 2008, our goal is for at least 8 million low-income beneficiaries to have enrolled in Medicare Part D prescription drug low-income savings programs; and by 2012, for at least 12 million low-income beneficiaries to be receiving these benefits.

The goal of enrolling 5.5 million low-income beneficiaries in 18 months is too important and too ambitious to leave to just government agencies alone. The private sector – voluntary organizations, businesses and philanthropy – must also do their fair share. The Coalition is working with the government to maximize the involvement of the private sector at the national, state and local levels in ways that complement and extend governmental efforts.

The ABC applauds the Department of Health and Human Services for its recent commitment to provide $4.6 million to support community-based education and enrollment

efforts targeted to low-income beneficiaries. Funding from the Centers for Medicare and Medicaid Services will provide resources for grassroots efforts in 30 of the largest metropolitan areas, and funding from the Administration on Aging will target particularly hard-to-reach low-income beneficiaries. The Corporation for National Service has also recently approved 15 VISTA volunteer slots to assist Coalition efforts. We expect to be able to announce some time next week more precisely how these and other resources will be made available to support Coalition efforts. Greater involvement by community coalitions and organizations that work with and are trusted by low-income beneficiaries is a critical complement to other HHS initiatives that have been announced previously.

The Coalition has a Steering Committee and three Working Groups. The Steering Committee includes the AARP, Alzheimer's Association, Easter Seals, and National Alliance for Hispanic Health. The Working Groups are: Outreach and Enrollment, Research and Policy, and Communications and Media. ABC is committed to forming local Coalitions in 30 of the largest metropolitan areas, as well as in a number of states that do not include these areas. We will provide grants, training and technical assistance to these state and local Coalitions, which will provide broad and deep grassroots support and mobilization.

In order to be successful, we will be partnering with a broad range of other organizations, including:

- CMS, AoA, SSA, the Corporation for National Service, and other Federal agencies;
- State and local health insurance counseling programs;
- State and local governments;
- Health care organizations and systems;
- The business community, including pharmaceutical and pharmacy companies, PBMs, employers, and media companies; and
- Private foundations.

If we all work together in a coordinated fashion toward common objectives, millions of beneficiaries in need will save thousands of dollars each on their prescription drug bills.

New Decision Support Tools

We are pleased to announce that the Coalition has recently made available – at www.accesstobenefits.org – a variety of new web-based tools, which are designed primarily to help ABC members and their affiliates to find, educate and help enroll lower income beneficiaries in prescription savings programs. The use of enhanced decision support tools is a key strategy of the Access to Benefits Coalition. We know that many lower income people with Medicare who could benefit the most from using web-based decision support tools do not have access to the Internet. Therefore, thousands of Coalition members (staff and volunteers) will be trained and supported to serve as intermediaries, and help lower income beneficiaries and their families use these new tools, which include:

- **State Prescription Savings Guides –** The Coalition has prepared 51 easy-to-understand State Prescription Drug Savings Guides with state-specific information. This section of the ABC website provides program descriptions, eligibility and enrollment information for the Medicare-approved discount card program, Medicaid and other state drug discount programs, Veterans' Assistance as well as pharmaceutical company discount card and patient assistance programs. A useful bar graph with comparative income eligibility requirements for various programs is also included.
- **Enrollment Center** – Beneficiary education is not enough; people must actually enroll in the benefits they are eligible for. The ABC website includes hundreds of prescription drug savings program enrollment forms. By selecting a state, the user can view enrollment forms for state pharmacy programs, patient assistance programs and Medicare-approved discount drug cards. Some of the forms are fillable online – meaning that they can be filled out while on a computer and printed. Others can only be viewed on-line, printed out and filled out manually.
- **Promising Practices in Outreach and Enrollment** – This section of the website provides links to summaries of case studies that affect outreach and enrollment across various public benefits. Case studies are summarized by category, including: Cross-Program Collaboration; Outreach to Ethnic Populations; Rural Outreach; Provider Enrollment Activities; and Public-Private Partnerships. While

not every strategy reported is directly applicable to initiatives related to the Medicare drug benefit, the parallels are significant enough to be of value in the design process of a campaign directed to lower income Medicare beneficiaries. Each case study includes a link to the longer work from which it was taken; in addition, a fully annotated bibliography of the literature in outreach and enrollment is available. The section also includes summaries of case studies of *in*effective outreach initiatives. The Coalition greatly appreciates the work of Trish Nemore, with the Center for Medicare Advocacy, who put this section of the website together, with the help of an Expert Panel on outreach and enrollment that we convened this past April.

It is also important to note that in June 2001, NCOA launched www.benefitscheckup.org, a free, web-based public service to allow seniors, their families, and the community organizations that serve them to quickly and easily determine what benefits are available and how to apply for them. Over 1.2 million seniors and their families have used the service. In January 2003, the website was expanded through BenefitsCheckUpRx to include approximately 260 public and private programs to assist seniors in determining what help they can get to pay for prescription drugs. Users can access a questionnaire specifically tailored to promote access to these Rx benefits. The service is also available in Spanish.

The www.accesstobenefits.org website includes a link to BenefitsCheckUpRx. In addition, the coalition is developing an enhanced version of the site, which should be available in late July, to facilitate and simplify decision-making and enrollment in the full range of prescription drug savings programs. The new decision-support tool will help beneficiaries to determine the **individualized combination** of programs that will save them the most money – not only new Medicare benefits, but state pharmaceutical assistance programs, discount card programs that are not Medicare-endorsed, and over 130 private drug manufacturer patient assistance programs.

New Medicare transitional benefits are only one of several important components of the Rx safety net - hundreds of other public and private Rx programs are also available. Most

lower income beneficiaries will need to know about and take advantage of several of these programs to be able to afford their medicines.

Transitional Assistance Credit Will Deliver Additional Savings

There is some very good news to report about the $600 credit: most low-income beneficiaries who enroll in the credit program can save a lot more than $600 in 2004 and 2005. This is because of the commendable actions by several pharmaceutical manufacturers to offer savings programs for low-income seniors that "wrap around" the Medicare-approved cards. For example, Merck announced that once a Medicare beneficiary uses up their $600 debit on a Medicare-approved card that person can purchase their Merck medications for the rest of the year for only a dispensing fee. Novartis Pharmaceuticals, Johnson & Johnson, Abbott Laboratories and Wyeth have announced similar programs. Eli Lilly has announced that people who qualify for and enroll in the TA program can purchase any Lilly drug for $12 per month, even when they still have a balance on their card. TogetherRx, which covers more than 170 medications from seven leading manufacturers, will continue to offer savings of 20% to 40% to people who qualify. Pfizer will continue to offer its medications for $15 per month for those who enroll in its U-Share card.

The bottom line is that low-income beneficiaries who take multiple medications and who have incomes below 135% of poverty could save from 40% to 90% on their medications in 2004 and 2005. Exactly how much an individual will save depends on the specific medications they take, what they are currently paying for them and what the dispensing fees will be at the pharmacy they use.

However, most of these extra benefits will only be realized by consumers if these wrap-around benefits are as broadly available as possible. Therefore, the Access to Benefits Coalition is calling on all the Medicare-approved discount card sponsors to sign a pledge to make their best effort to include all the manufacturers' free or low cost medication programs in their card(s) as a benefit when the $600 credit is exhausted. Our goal is to get at least one-half of the Medicare-approved discount card sponsors to sign this pledge within the next 30 days. We believe this will help provide a "short list" of cards that low-income Medicare beneficiaries should consider for enrollment. In recent days, 5 card sponsors have agreed to sign the pledge: Computer Sciences Corporation (Community CareRx, Criterion Advantage

& Golden Buckeye (OH) cards), PharmaCare, Pharmacy Care Alliance, UMPC Health Plan (Rx for Less (PA) card), and WellPoint (Precision Discounts card).

Research and Policy Issues

Although the activities of the Coalition are not involved with whether the new Medicare law was good or bad, or how it should be changed, we believe there are a number of ways in which implementation of the discount card program, and enrollment in the $600 credit program, can be improved. We were very pleased, for example, that CMS agreed to the development and use of a standard enrollment form and to automatic enrollment in the $600 credit for state pharmaceutical assistance program (SPAP) enrollees.

The ABC is also hopeful that current Medicare Savings Program (MSP) recipients (QMBs, SLMBs, and QI-1s) can be automatically enrolled by CMS in the $600 credit program. Those who do not choose a card on their own by a date specific should be automatically assigned a card, thereby assuring that an estimated 700,000 individuals can receive significant savings. Members of the Coalition's Research and Policy Working Group will soon be meeting with CMS officials to discuss how this might be accomplished.

The Coalition is interested in getting other federal agencies involved in low-income outreach, such as the Department of Agriculture (which administers the Food Stamps program), the Department of Energy (which administers the Low Income Home Energy Assistance Program), the Department of Housing and Urban Development (which runs various low-income housing programs), and the Department of Labor (which administers programs for lower income older workers). We would also encourage members of Congress to link to our website and look forward to educating staff in state and district offices about Coalition resources and efforts in their areas.

We are also creating a database so that we can locate lower income Medicare beneficiaries and track what savings programs they are enrolled in. We want to use our limited resources as efficiently as possible and find those who have historically been the hardest to reach. Finally, the Coalition is planning to do research next year on lessons learned from Medicare discount card outreach and enrollment efforts, so we can achieve our goals for lower income beneficiaries when new benefits are available in January 2006.

Conclusion

Enactment of the new Medicare law is the single-most important opportunity to help low-income Medicare beneficiaries to have emerged in the past 40 years. The Access to Benefits Coalition is firmly committed to working with a broad range of partners to take full advantage of this opportunity to provide much-needed assistance to this vulnerable, hard-to-reach population.

The ABC is a public-private partnership dedicated to ensuring that lower income beneficiaries know about and can make optimal use of new Medicare prescription drug benefits and all other available resources for saving money on prescription drugs. We are working with CMS, AoA and others on funding strategies to provide resources to metropolitan and state coalitions and organizations to educate and enroll lower income beneficiaries. The Coalition has a variety of new and emerging decision-support tools for organizations available on the www.accesstobenefits.org website, including State Prescription Savings Guides, an Enrollment Center, and a robust section on Promising Practices in Outreach and Enrollment.

Most low-income seniors who enroll in the Transitional Assistance credit program will save much more than $600 in 2004 and 2005. This is because of state programs and the commendable actions by several pharmaceutical manufacturers to offer savings programs for low-income beneficiaries that "wrap around" the Medicare-approved cards. The Coalition is working with card sponsors to ensure that these additional benefits are widely available.

The Coalition is also working with CMS to try to automatically enroll Medicare Savings Program recipients in the annual $600 credit program.

By working closely together on these initiatives, we can significantly improve the quality of the lives of millions of vulnerable Medicare beneficiaries who need help in paying for their medications.

ACCESS TO BENEFITS COALITION

ABC MEMBER LIST – As of June 3

AARP
ACORN
Allen Chapel A.M.E. Churches
Alliance for Children and Families
Alzheimer's Association
America's Health Insurance Plans
American Association of Homes and Services for the Aging
American Association of People with Disabilities
American Diabetes Association
American Foundation for the Blind
American Geriatrics Society
American Health Care Association
American Hospital Association
American Medical Association
American Pharmacists Association
American Society of Consultant Pharmacists
American Society on Aging
Arthritis Foundation
Association of Jewish Aging Services
B'nai B'rith International
Catholic Charities USA
Catholic Health Association of the United States
Center for Advocacy for the Rights and Interests of the Elderly
Center for Medicare Advocacy
Center for Medicare Education
Easter Seals
Epilepsy Foundation
Fisher Center for Alzheimer's Research Foundation
Last Acts Partnership
Meals on Wheels Association of America
National Academy of Elder Law Attorneys
National Adult Day Services Association
National Alliance for Caregiving
National Alliance for Hispanic Health
National Alliance for the Mentally Ill
National Asian Pacific Center on Aging
National Assembly of Health & Human Services Organizations
National Association for Hispanic Elderly
National Association for Home Care & Hospice
National Association of Area Agencies on Aging
National Association of Chain Drug Stores
National Association of Community Health Centers
National Association of Nutrition and Aging Services Programs
National Association of Professional Geriatric Care Managers
National Association of State Units on Aging
National Center for Assisted Living
National Coalition for Women with Heart Disease
National Consumers League
National Council on the Aging
National Family Caregivers Association
National Health Council
National Hispanic Council on Aging
National Indian Council on Aging Inc.
National Low Income Housing Coalition
National Medical Association
National Mental Health Association
National Multiple Sclerosis Society
National Partnership for Women and Families
National Rural Health Association
National Senior Citizens Law Center
National Urban League
Older Women's League
Paralyzed Veterans of America
Salvation Army USA
Shepherd's Centers of America
60 Plus Association
The Arc
United Cerebral Palsy
United Seniors Association
United Spinal Association
Visiting Nurse Associations of America
Volunteers of America