



Medicare Perspectives

APRIL 2004

Special Edition of Pension Perspectives Newsletter for
LA City Fire & Police Retiree Members at or Near Medicare Age

The Federal Government has passed a new law, the Medicare Modernization Act, to bring people with Medicare more choices in health care coverage and improve health care benefits. This law adds important new prescription drug benefits including the Medicare-approved drug discount card. The Department of Fire and Police Pensions has developed this bulletin to assist you in making a decision on the Medicare-approved drug discount cards. This information applies to Medicare-eligible persons only. If you are not yet 65, but will be in the next two years, this information may be helpful to you as well. ■

Medicare-Approved Discount Drug Cards

One of the features of the Medicare Modernization Act is a drug discount card. The card will be available in 2004 and can provide immediate savings on prescription drugs. Medicare will contract with private companies to offer new, voluntary drug discount cards.

Retirees who have prescription drug coverage through one of the City-approved organizations already have access to discounted drug savings. City-approved organizations include the Department of Fire and Police Pensions, the Los Angeles Firemen's Relief Association, the Los Angeles Police Relief Association and the United Firefighters of Los Angeles City. ***In almost all situations, the discounts available through your current medical plan will exceed the discount available through the Medicare-approved drug discount card.***

If you are a member of another group or individual health plan, review your prescription

drug coverage. If your plan covers prescription drugs you will probably not need the Medicare-approved drug discount card.

How Can I Tell?

Most HMOs have prescription drug coverage. If you are in a health plan with a prescription drug co-pay, your plan offers prescription drug coverage. A co-pay is typically some amount from \$0 to \$20 per prescription. Another way to tell if your health plan offers prescription drug coverage is if you have a prescription drug card issued by your health plan, or if your membership card has your prescription benefit printed on it. If you are unsure, review your benefit information and/or contact your health plan directly.

If you do not have a retiree medical plan that covers prescription drugs, then you may benefit from this program. Medicare will be sending all eligible retirees information on the Medicare-approved drug discount card in the next few months. Medicare intends to begin enrolling retirees in May of 2004 and coverage will begin by July 1, 2004.

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A Medicare-approved drug discount card offers a discount off the full retail price of prescriptions. These voluntary cards are being offered until December 31, 2005, when this program ends and the new comprehensive prescription drug benefit begins. The drug discount card is available to any retiree who is eligible for Medicare Part A coverage or who has enrolled in Medicare Part B. The premium for this benefit is expected to be approximately \$30 per year.

In addition, if your annual income is less than \$12,569 as a single person, or less than \$16,862 for a married couple, you might qualify for a \$600 credit to help pay for your prescription drugs. If you qualify, Medicare will put a \$600 credit on your Medicare-approved drug discount card that you can use when you get your prescriptions. You will not have to pay the annual enrollment fee for the discount card if

you qualify for the \$600 credit. You cannot qualify for the \$600 if you already have drug coverage from an employer group health plan.

This means that any retiree who is enrolled in one of the plans provided by the City-approved organizations listed earlier (also see contact information) cannot receive the \$600 credit.

In Conclusion

This bulletin is being provided for guidance only. In the next few months, you will be receiving more information from Medicare and other sources on the Medicare-approved prescription drug card. Review your current coverage and read all information carefully before making your decision. In addition, future issues of your Pension Perspectives newsletter will contain more information on this and other provisions of the new law. ■

Contact Information

City of Los Angeles, Department of Fire and Police Pensions, Medical and Dental Section
Medical Subsidies and Reimbursements/
Medicare Part B Reimbursement
(213) 978-4560
www.lacity.org/PEN

Los Angeles Firemen's Relief Association
Fire Medical Plan, Fire Kaiser
(800) 244-3439 (toll-free)
www.lafra.org

Los Angeles Police Relief Association
Blue Cross, California Care, Kaiser
(888) 252-7721 (toll-free)
www.lapra.org

United Firefighters of Los Angeles City
Blue Cross, California Care
(213) 895-4990
www.uflac.org

Medicare
(800) 633-4227 (toll-free)
www.medicare.gov