

TENNESSEE DRUG CARD CAN HELP RETIREES WITH PRESCRIPTION COSTS



As more and more baby boomers hit the retirement age of 65, many things need to be evaluated. One of the major decisions a person should make when entering his or her senior years is selecting medical coverage options. For those approaching age 65, taking the time to review the types of coverage available and weighing the overall financial impact of those options will help you and your spouse plan as you move into the next stage of your life. Many costs that arise during retirement are due to unexpected medical procedures and high-price prescriptions.

Some in or approaching their Medicare years are under the misconception that Medicare is going to cover all medical expenses, but unfortunately that is not true. Medicare does not cover all medical costs, and the out-of-pocket expenses for medical care can still have a sticker shock effect. According to the *Employee Benefit Research Institute's* October 2014 Executive Summary, "In 2011 Medicare covered 62% of the cost of healthcare services for Medicare beneficiaries 65 and older, while out-of-pocket spending accounted for 13%, and private insurance covered 15%. Medicare was never designed to cover expenses in full."

One part of Medicare that is often responsible for large out-of-pocket costs is prescriptions, especially when people fall in the donut hole. The Patient Protection and Affordable Care Act of 2010 (PPACA) includes provisions to minimize

the size of this donut hole but it did not eliminate it all together. According to EBRI's report, by 2020 those enrolled in Medicare will pay 25% of both name brand and generic prescription drugs when they are in the donut hole. In the future you could end up paying a greater percentage due to the financial restraints of Medicare and penny pinching efforts of employment-based retiree health programs.

When planning for retirement, out-of-pocket medical expenses should be put into a budget. Prescription costs alone can set some people back quite a bit. According to EBRI's findings based on median drug prices, if a man retired at age 65 in 2014 he "would need \$64,000 in savings and a woman would need \$83,000 if each had a goal of having a 50% chance of having enough money saved to cover health expenses in retirement." The savings total for women is higher due to their longer life expectancy.

The Tennessee Medical Association would like to remind members about the Tennessee Drug Card, a free prescription assistance program available to all residents with no age or income requirements. Although many routine medications may be covered by Medicare, it is always worth shopping around to see if there is a better rate through a program like this. When an individual falls in the donut hole, he or she can use this program to help offset the cost of high-price prescriptions.

Go to TennesseeDrugCard.com to print a free card or check the price of your medication using the Tennessee Drug Card. For questions call 1.888.987.0688 or email natalie@tennesseedrugcard.com.

Tennessee Drug Card Preferred Pharmacy:

CVS/pharmacy



Free Rx iCard



Tennessee Drug Card

