

against an individual's transitional assistance cap to ensure that not more than the amount of transitional assistance available is provided to the individual. Additionally, endorsed sponsors will need to have a process for managing transitional assistance in the event a transitional assistance enrollee switches endorsed discount card programs with a transitional assistance balance remaining. In this case, the endorsed sponsor must ensure that the amount of transitional assistance reported to CMS as remaining available for transfer to the new endorsed program is a final number; that is, CMS will not adjust the number at a later date to account for outstanding claims at the time the amount was reported, nor will CMS provide additional reimbursement to the endorsed sponsor to make up any difference. In their applications, applicants must describe their processes for (1) managing payment against transitional assistance caps, and (2) managing payment such that remaining transitional assistance balances reported to CMS at the time of an enrollee's disenrollment represent final amounts. If processes that endorsed sponsors put in place to manage payment in these cases could create a financial liability for a transitional assistance enrollee, endorsed sponsors will be required to inform these enrollees of such circumstances and any special procedures.

Our procedures for reimbursing endorsed sponsors for transitional assistance will be discussed in further detail in the solicitation and pre-application conference.

E. CMS-Provided Beneficiary Education

1. General

In accordance with section 1860D–31(d)(1) of the Act, we plan to disseminate to beneficiaries eligible for the discount card general information about the availability of the program and general program features, such as the limitation of enrollment to only one discount card at a time, the initial enrollment date, and the potential use of formularies containing the drugs on which discounts are available. We also plan to disseminate general information about the availability of transitional assistance and the qualifying standards for the assistance. In addition to the general information, we plan to disseminate specific comparison information to promote informed consumer choice among endorsed discount card programs, including—

- Enrollment fee;
- Customer service hours;
- Contact information;

- Program Web site; and
- Negotiated prices, to include the dispensing fee.

Finally, we plan to develop messages that are understandable and meaningful for beneficiaries to support specific information about the program in order to increase beneficiary knowledge about and motivation to consider this program.

Section 1860D–31(d)(1)(C) of the Act states that both the general information and the specific comparative information should, “to the extent practicable,” be disseminated so that “discount card eligible individuals are provided such information at least 30 days prior to the initial enrollment date.” We will make available general program information and a subset of comparison information for each card program 30 days before the initial enrollment date and will coordinate later information dissemination activities with our annual coordinated education campaign on Medicare options. The provided comparison information will not contain negotiated prices. Provision of “price comparison” information to the public requires populating a database with data files from each endorsed sponsor, with a standard format and terminology, of negotiated prices, to include dispensing fee information for each covered discount card drug. To ensure the accuracy of prices on the Web site, endorsed sponsors must be allowed to validate their submitted price information. These activities cannot be completed before the start of the initial enrollment date. In the 30 days prior to the initial enrollment date, discount card eligible individuals will be able to access specific prices by contacting endorsed sponsors through the contact information we will provide.

2. Medicare Web site and Toll-free Information Line

Both general and comparison information will be made available to Medicare beneficiaries on our Web site, <http://www.medicare.gov>, as well as through the toll-free Medicare information line (1–800–MEDICARE), which is available 24 hours per day, 7 days a week. To generate awareness about the program and resources available to answer consumer questions, we plan to use paid advertising, including television, to reach the general audience and the Hispanic market. We also expect a Medicare publication describing program features will be available on <http://www.medicare.gov> and through 1–800 Medicare 30 days prior to the initial enrollment date. We also expect

to include an overview of this program in the 2005 *Medicare & You* handbook, which will reach beneficiaries in time to elect a new drug card for 2005. In addition, we will strive to disseminate information to community level organizations, State Health Insurance Assistance Programs, and our other partners that represent the needs and the interests of the diverse Medicare beneficiary population.

To report on negotiated prices, as requested in section 1860D–31(d)(1)(B)(i) of the Act, we will provide, through <http://www.medicare.gov>, a price comparison Web site that will include maximum, and possibly ranges of, negotiated prices, including the dispensing fee, in actual dollars for the purpose of comparing across endorsed discount card programs. These prices will reflect an estimate of the maximum price charged at the point of sale. This Web site should also include information about generic substitutes. All of this comparative information will assist beneficiaries in deciding which Medicare discount card will offer them the greatest financial advantage. We will provide education that drugs and prices may vary over time.

As described in § 403.806(i)(4)(v), to support the price comparison Web site, drug card sponsors may submit updated data files on a weekly basis to include information on customer service hours, contact information, program Web site, enrollment fee, and negotiated prices, including the dispensing fee. We will specify a standard file format and timing for submitting these data elements to us in the solicitation for endorsed sponsors. At a minimum, each file will include the maximum negotiated price for every covered discount card drug under the card program. As required in § 403.806(d)(5) of our regulations, maximum negotiated prices available under the endorsed discount card program must match those reported on the price comparison Web site. We believe that a weekly update of information is frequent enough to allow endorsed sponsors to adjust to fluctuating supply prices, but also ensures that accurate price information is available to discount card eligible individuals and card enrollees at all times. The effort to allow more frequent updates is not practical because we must coordinate creating a new database of prices from all endorsed sponsors.

As discussed in section II.C.7. of this document, in order to communicate the Secretary's endorsement of a prescription drug discount card program, as required in section 1860D–31(a)(1)(A) of the Act, we will create