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JIM: A lot of you may not be aware but there is a free prescription drug program that’s been around for a long time through the drug companies and it’s just a matter of being able to qualify for it and, with ObamaCare, having, for some families, some pretty large deductibles, a lot of families may find that they qualify for this free prescription drug service so, today, we have Don Hansen to talk about how to take advantage of this free prescription drug program. Don has been involved with the company that helps people through the processing of it and they charge a small fee. I want Don to share with the audience for those of you that are do-it-yourselfers and want to know how to take advantage of this that you find out what’s available and how you can find out about it and, also, maybe talk about this service to make it a little bit easier. Don, I want to welcome you to the program today.

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DON HANSEN: Thanks, Jim, it’s a pleasure.

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JIM: Tell us, what is the Free RX program? What does it do for people?

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DON HANSEN: Good question. Really, what we want to do is we’ll take a couple of steps back and talk about why the Free RX program is here to begin with. Basically, a little over 30 years ago, the pharmaceutical companies came up with a really nice program for people who can qualify. It truly does provide access to free prescriptions. It’s a very great program. The problem is not a lot of people know about it and the other issue is getting qualified and going through the paperwork and the process is really, really hard so Free RX is a program that got started about seven years ago to help people go through the process, handhold them to make sure that they can get their prescriptions as easily as they can because going on their own can be really, really tough.

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JIM: So let’s talk a little bit about what are some of the qualifications to be eligible for the program.

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DON HANSEN: There’s two qualifications for the most part. Assets are not part of the qualification. It really boils down to whether somebody has current prescription drug coverage, insurance coverage, number one, and then, number two, what their income is, so, income, we’ll talk on that just for a moment. Income has to be between the federal poverty level of 133% up to 400%. That’s really the place where people can qualify so, eligibility, there’s really two different qualifications for people to be qualified for the program. The first one is income and, as far as income is concerned, really, the income levels are between 133% federal poverty level and 400% federal poverty levels are qualifications. The second piece is a person cannot have current prescription drug coverage. Now, that said, there are really two caveats, the first one being a person who has a high deductible HSA qualified plan or just a really high deductible plan that does not have a prescription copay to it, they would be eligible through the time the deductible is done so they would be eligible for the program because they don’t have immediate prescription drug coverage. The second piece is for people on Medicare Part B, when they hit their donut hole, which there are several people who do, of course. People who hit their donut hole would also qualify for the program.

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JIM: So, again, anybody who’s listening there, if you’re on a group plan, we’ve seen a lot of plans go to these MSAs or HSAs so a lot of people may be eligible. Let’s talk a little bit about the poverty level, Don. I mean it depends on what state you’re in, obviously, but I know when you first started sharing with me how this program worked, in some areas, a family of four could be making as much as $90,000 of income and still qualify for the program so a lot of people are finding themselves in that situation where they could take advantage of this program, right?

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DON HANSEN: That’s right, Jim. It’s very interesting how the program works. Because it’s not a government program, there’s no standardization so, in other words, each pharmaceutical company and each prescription drug has its own qualifications so a person could hypothetically be taking three drugs. One of them, the qualification income wise is 250% of federal poverty level or below, the second one could be 300% of federal poverty level or below, and then the third one could be 150% of federal poverty level and below, so it really is a per prescription evaluation per pharmaceutical company.

4:08

JIM: I’ve been in the business a long time. I never really heard about this program. I was familiar with Medicaid where people of low income get health insurance benefits and their prescriptions and things like that but I never heard of this program before. Why is it being kept such a secret?

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DON HANSEN: Well, you know, that’s a good question. I’ve been in the business a long time, too, and didn’t know about it for the longest time but, you know, when you really think back, you listen to the prescription drug advertisements on TV and, toward the end, it says if you have an income issue or, basically, if you have any hardships, please let the company know, basically, so there’s a little blip in most advertisements that give the consumer an idea if they have some sort of an income issue that they can call the company and there might be some sort of a benefit there so, besides that, I think a lot of it is the process is not an easy process and, so, for people who do deserve and qualify, sometimes they have a hard time getting the prescription even though they qualify.

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JIM: I don’t know if this is the actual fact or not but I had heard a long time ago that for these prescription drug companies to have the patent rights to the name brand drugs where they have, I think it’s 17 years where they can just about charge whatever they want. I think this was part of, in order for them to have that, they had to make these drugs available at little or no cost to people that were impoverished and I heard that the drug companies sent drugs overseas. I had actually heard, you know, a lot of us are aware of the Canadian drug program where people from the United States are getting the exact same drugs for a lot cheaper, that, actually, those drugs were being distributed through that program and then re-brought back here through purchases at a much lower rate. I don’t know if you know anything about that. I can’t confirm or deny, let’s say, whether that’s the case but that was my understanding years ago and I just thought it was for third world countries. I didn’t realize there was a program right here in the United States that people could qualify for that weren’t on Title 19.

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DON HANSEN: Right, and the interesting this is, yes, there is programs where people can buy significantly discounted prescriptions from overseas but that is an entirely different program than this one in particular and it is very interesting that people here in the US, this has been a program for over 30 years, you know free prescriptions, not even discounted, free prescriptions.

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JIM: All right, well let’s take a short break. When we come back, let’s talk about how someone applies for the benefits. Please stay tuned.

6:32

BREAK

6:58

JIM: Welcome back as we’re visiting with Don Hansen. He’s a partner in an insurance brokerage firm out of Omaha, Nebraska and Don and I were visiting a while back and he was sharing with me this free prescription drug program. I was not aware of it. I’ve been dealing with health insurance and clients with Medicare and Medicare Part D for almost 30 years. Apparently, that program became available about the same time I got in the business. It’s got to be one of the best kept secrets. Don, how does someone apply or find out if they’re eligible? What do they have to do in order to get these free prescriptions?

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DON HANSEN: They could contact the pharmaceutical company where they’re getting their prescription from and ask for the paperwork and each one of their pharmaceutical companies, they would want to call and ask for the proper paperwork to get qualified.

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JIM: So, if anybody is really not sure, I would imagine all you have to do is Google the prescription that’s on your prescription drug bottle and you probably can find out where the companies are at. Every company has a different process so it might be a little bit challenging because, if you have, let’s say you’re taking three or four different medications, if those are coming from different manufacturers, you’re going to have to kind of go through that whole process with each manufacturer. Now, how do these companies verify or what information are they doing the application? I’m sure they’re putting information about their income, what their deductibles, their health insurance. What kind of stuff are they all supplying? Are they just answering questions? Do you know if they have to send in some proof or how does that whole system work? Are you familiar with that, Don?

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DON HANSEN: I am. Part of the process is there is, normally, with pharmaceutical companies, there is like a one-page application that’s completed and they go based on stated income and they will go based on stated verification if somebody currently has prescription drug coverage or not. It’s my experience that from time-to-time a pharmaceutical company will request additional information such as, if somebody’s on Medicare Part D and has hit their prescription drug donut hole, the pharmaceutical company might ask for verification if a person has qualified for the low income subsidy first and, so, if the low income subsidy, which is basically the Medicaid subsidy, if that has not been approved, that proof would be an additional request by the pharmaceutical company.

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JIM: And, again, you said that each pharmaceutical company will set their standards of what qualifies for low income on a per drug basis plus based on location. Did I understand that correctly?

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DON HANSEN: That’s correct.

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JIM: We only have a 15 to 20 minute program. We don’t have enough time to list all of the companies and how to do it so, again, my suggestion would be Google the prescription that you’re taking, if you’re not sure who the manufacturer is. You may get lucky and may be able to hit something about the program but, if you just call the company direct and say we want to find out about being eligible, we’re low income, for your free prescription drug program, they should be directed to the right department. Now, one thing I would emphasize is, with us being in the business almost 30 years and not knowing about a 30 year program, you might need to be a little bit persistent with that to get through to the right channels but, boy, for someone who qualifies for these programs, if all of a sudden you’re taking some type of medication, I mean I’ve got clients that, sometimes, due to some unique illness or problem, they’ve got drugs that are costing $100 or $150 a pill for some of these cancer drugs and things like that but that can really be a lifesaver for somebody. Would you agree, Don?

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DON HANSEN: Absolutely and, really, the program being designed specifically for name brand, it’s my understanding and I’ve seen firsthand many, many different specialty drugs. I can think of a situation just a couple months ago where I saw somebody taking a drug that was $3600 a month. They found that that drug was part of the program and were really grateful.

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JIM: So it’s really something that’s worth definitely exploring. If anybody has dealt with health insurance and claims and all of this, it can be sometimes confusing, sometimes a little bit convoluted, and one of the reasons I had you on the program, Don, you’re also affiliated with a service that can take care of the paperwork for them at a pretty nominal fee so you’ve got another option if you don’t want to muddle through it but, by all means, if you can figure this out on your own, for some people it might be pretty easy, other people might find it a littl4e bit confusing. For those that want a little bit of help, tell them about the program you’re affiliated with, Don.

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DON HANSEN: Well, the Free RX program is just a real simple program. It was designed a little over seven years ago with the purpose of just helping to handhold somebody during the paperwork process and the renewal process so, when a prescription is granted, when it’s qualified and somebody is available, they’re qualified for the program, the Free RX system, it basically, after a one-year qualification, a person has to get requalified and Free RX handholds the entire time. Every time there is new paperwork that needs to be done, Free RX is there to do it.

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JIM: So, what they do, too, ism, basically, you go through the website, and I thought enough of this service that, actually, you can just go to the Real Wealth page. If you look under the resources, there will be a link to go to this service and they can actually help you walk through whether or not you qualify and, then, if you’d like, they will apply for those prescriptions for you and, really, there’s no charge to you unless you’re eligible. What are those fees, Don, because I know we’ve been able to help people save a little bit of money for this service by going through Real Wealth? How do they take advantage of that and what does it cost?

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DON HANSEN: The price is very nominal. It’s $19.95 per month, per prescription.

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JIM: The way that works, so let’s say they apply for something. They find out their eligible. Let’s say they’re taking a blood pressure medication. If it’s going to be less than $19.95 a month, we’re not going to go through the process but, if they’re taking a drug and let’s say its $50 a month, they’re going to apply for this. They’re just going to pay the administration charge of $19.95 a month and my understanding is they’ll get a three month supply for that.

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DON HANSEN: That’s correct. That three month supply is sent to them in the mail. In certain circumstances, those prescriptions could also be sent to their physician but, for the most part, those prescriptions are sent directly to them at their home.

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JIM: And, Free RX, they’re going to work with the person because you need to have a doctor’s prescription, obviously, to get this so they’re going to work with them on that process of getting all of that stuff organized and, then, let’s say someone has that donut hole and they get to the point where, now, it’s covering again. How does that work?

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DON HANSEN: The pharmaceutical company program is based on what somebody states so I would encourage somebody, if they’re out of their donut hole, stick with their Part D program until they hit that donut hole. Then, they go back to utilizing whatever the best is for them.

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JIM: So, for anybody that wants more information, check the resources. They’ll walk you through it or, again, go directly to the pharmaceutical companies. If you want to save that $19.95, the service fee for processing it, it is something you can do yourself but, again, we wanted to make this service available. I know I’ve worked with a lot of clients with healthcare and even though, for a while there, now, most companies just automatically do the Medicare paperwork but, in the past, even though it was an easy process, a lot of people just felt more comfortable knowing it was getting done by someone who knew what they were doing that was dealing with it every day. Helping people out for the last seven years, certainly Free RX understands the administration, so thanks, Don, for being with us. I appreciate you sharing this program. I know we’ve got a ton of listeners out there that probably are eligible and, again, it’s not that you’re on Title 19. If you have lower income and I find a lot of my retired clients, their income, maybe they’re making $30,000 or $40,000 a year, they may be in the range where they might be eligible to take advantage of this service so I would encourage everybody that’s taking prescriptions, you might want to walk through and see if you qualify. The other thing that I would mention to people is a lot of times I find people have a change of income or a lot of times these programs will change what the requirements are. Either one of those two or a combination of the two could make someone eligible so one thing you don’t want to do is go through the process and just decide, well, I guess I’m not eligible because, as you said, different prescriptions have different requirements so, if one says you have to be at 130% of the poverty level and the next one says 400%, don’t make applying for one just be your answer. Any time you get a prescription, you might, again, re-explore and see if maybe the requirements have changed for that drug or the requirements have changed based on the income in the area that you’re in because this could save you a lot of money so thanks again, Don.

15:26

DON HANSEN: Thanks, Jim.

15:27

JIM: Thanks for joining us this week and tune in again next week as we explore another phase of the Real Wealth process and, remember, if anything you heard in today’s show you would like to get more information about, contact your Real Wealth advisor. Also, if you feel that any of this information would be helpful to a friend or family member, just click the Forward to a Friend button.