



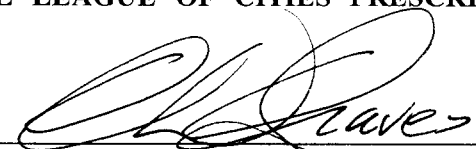
# City of Carson

## Report to Mayor and City Council

September 6, 2011  
New Business Consent

**SUBJECT: CONSIDERATION OF THE NATIONAL LEAGUE OF CITIES PRESCRIPTION DISCOUNT CARD PROGRAM**

  
Submitted by Clifford W. Graves  
Interim City Manager

  
Approved by Clifford W. Graves  
Interim City Manager

### **I. SUMMARY**

On August 2, 2011, the City Council added this matter to tonight's agenda for consideration at the request of Mayor *Pro Tem* Ruiz-Raber.

Mayor *Pro Tem* Ruiz-Raber asked the Interim City Manager to look into the Prescription Discount Card Program offered by the National League of Cities.

### **II. RECOMMENDATION**

DIRECT staff to apply for the NLC Prescription Discount Card Program.

### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

### **IV. BACKGROUND**

As a member of the National League of Cities, the city of Carson can offer residents a free prescription discount card that provides average savings of 20% off the retail price of prescription medication. There are several benefits to the use of the NLC Prescription Discount Card in cities large and small. The card is designed for individuals who do not have insurance, those who don't have a traditional pharmacy benefit plan, and for those who have prescriptions that aren't covered by insurance.

There is no enrollment form, no membership fee, no restrictions or limits on the frequency of use, and all family members are covered. There is no age limit, and there are no income requirements. The discount card is accepted at 60,000 pharmacies nationwide.

There is no cost to the participating city. The only requirement is that the city be a member of the National League of Cities. Program administrators will be provided with customized cards with the city logo, a sample press release, a sample web page, and additional marketing tools for promotional purposes. It is the responsibility of the city to promote the use of the card, and to distribute it to residents. Some cities make the cards available at City Hall, community centers, and senior citizen centers.

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In addition to promotional materials, the city will also receive a monthly report detailing the total savings of the residents. Several local cities are already enrolled in the program, including Baldwin Park, Bellflower, Culver City, Diamond Bar, Los Angeles, Lynwood, Signal Hill, West Hollywood, and more.

If the city of Carson is interested in participating in the NLC Prescription Discount Card Program, an enrollment request can be submitted online, and a NLC representative will respond to the request in order to complete the enrollment.

## V. FISCAL IMPACT

None.

## VI. EXHIBITS

1. NLC Prescription Discount Card Program "Frequently Asked Questions". (pg. 3)

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TO:Rev032811

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

## Action taken by City Council

Date \_\_\_\_\_ Action \_\_\_\_\_

# The NLC Prescription Discount Card Program

## SAVE

your residents  
an average of  
**20% off the retail  
price** of prescription  
medication **at no  
cost to the city...**

Be a member  
of the  
National League  
of Cities

Sign up for the  
**FREE**  
NLC Prescription  
Discount Card  
Program

Your residents  
present the  
discount card at a  
local participating  
pharmacy

## Frequently Asked Questions



### How much will residents save by using the discount card?

While savings on each prescription may vary, the NLC Prescription Discount Card Program saves an average of 20 percent off of the pharmacy's regular retail prices. The savings are validated monthly and annually.

### What if a pharmacy's price on particular prescription drugs is lower than the discount card price?

The program uses a "lower-of" pricing schedule so that residents are never disadvantaged by using the discount card. On occasion, a participating pharmacy may have a lower price on particular prescription drugs. If that occurs, residents will always pay the lowest price.

### Who pays the cost of the discount?

Pharmacies in the national discount network agree to absorb the cost of the discount. The benefit to the pharmacy of participating in the program is that it creates customer loyalty and increases store traffic.

### Does NLC or CVS Caremark share the personal information of residents using the discount card?

CVS Caremark does not give or share personally identifiable health information to manufacturers or direct marketers. CVS Caremark is fully compliant with all federal and state privacy and security regulations pertaining to the protection of protected health information and has a robust compliance program which monitors and enforces policy compliance. NLC neither receives nor shares personal information of residents.

### Does NLC or any participating city receive revenue from the program?

Neither NLC nor any participating city receives revenue for sponsoring the discount card program.

### Does the program provide a competitive advantage to CVS pharmacies?

All major pharmacy chains and most local independent pharmacies, nearly 60,000 pharmacies nationwide, participate in the discount card network. Residents are not encouraged or incentivized to use CVS pharmacies over any other chain or independent pharmacy.

### Can the discount card be used with other prescription insurance benefits?

The program is not insurance; it is a prescription discount program. The card cannot be used to supplement insurance benefits. The card can be used for prescriptions not covered by an insurance plan.