A brief history of discount cards

First introduced to the market in the early 2000s, the prescription discount card has evolved markedly over the years.

Aimed at seniors struggling with the cost of prescription drugs, the first discount card were advertised heavily on television and were an immediate success, says Michael Oshins, National Vice President, Sales and Business Development – Pharmacy Discount Services for OptumRx. Indeed, the response to the first advertisement overwhelmed call centers, Oshins recalls. "Over 15,000 people called the 1-800 number in 90 seconds after the ad ran the first time," he says. "It was then people realized how much of a need there was."

Such was the need that Congress also took notice and passed Medicare Part D in 2003 to help Medicare recipients afford prescription medications. After the law took effect in 2006, it became clear that a "doughnut hole" existed in Part D coverage[1]. This means that the Part D coverage had a gap, which resulted in many people having to shoulder out-of-pocket costs for some medications. "At first, people thought Medicare Part D would be the death of the prescription discount card," Oshins says. "We found that was the farthest thing from the truth."

In the wake of Medicare Part D, the primary audience for the card switched from people over 65 to people without insurance.

In recent years, passage of the Affordable Care Act opened yet another chapter in the ongoing discount card story. While the number of uninsured Americans was reduced significantly, changes to insurance laws meant that even people with insurance could see their coverage altered or diminished, providing yet another opportunity for discount cards to provide value.[2]

References

1. Managed Care Interface. "The Medicare Part D doughnut hole: effect on pharmacy utilization."
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2. Morning Consult. "Why Prescription Drugs Aren't Part of Obamacare."
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