

Highlights of the *Medicare Rx Now Act of 2003*

Zero-Premium, High-Cost Protection, Part B Drug Benefit

Universal ... Progressive ... Affordable

- **Zero Premium:** This benefit would be incorporated into the existing Medicare Part B program. No separate premium and no increase in Part B premium.
- **Universal Eligibility:** All Part B enrollees.
- **Universal Protection Against High Drug Costs:** Medicare will pay 80 percent of the cost of drugs after beneficiary has total drug costs of \$4,000. The individual will pay based on a flat three-tiered co-payment: \$4/\$16/\$24*
- **Benefit Counts All Drug Spending:** Negotiated drug costs B not just the beneficiaries= out-of-pocket spending B counts toward the \$4,000 deductible.
- **Low-Income Benefits:** Beneficiaries up to 200 percent of poverty will be eligible to receive enhanced benefits via Medicare drug discount cards, Medicare+Choice, Medicaid, Medigap, and other new coverage options.

Medicaid – 135% of fpl

135% - 150% of fpl

150% - 200% of fpl

(State option with a federal/state match at the SCHIP rate)

*tiered co-payment: \$4/\$16/\$24**

*tiered co-payment: \$6/\$24/\$36***

*tiered co-payment: \$10/\$40/\$60****

- **Universal Benefit Via Medicare Approved Drug Card Plans:** A wide variety of Medicare approved drug card plans including PBMs, State Assistance Plans, retiree coverage, Medigap, Medicare + Choice, Medicaid and others that offer all seniors access to the market-based discounts widely available to people with private insurance. These discounts would apply to all drug purchases.
- **Universal Benefit Via Current Coverage:** Encourage the continuation of current drug coverage through Employer/Retiree plans, Medigap plans, Medicaid, State pharmaceutical assistance plans, or Medicare+Choice plans; all based on reimbursement agreements with Medicare.
- **CBO Cost Estimate:** Under \$400 billion
- **More to Come:** This proposal is just a first step in getting a Medicare prescription drug benefit up and running quickly -- leaving room for expansion in the future.

* The tiered co-payment estimate is based on the actuarial equivalent of an 80/20 cost-share.

** The tiered co-payment estimate is based on the actuarial equivalent of a 70/30 cost-share.

*** The tiered co-payment estimate is based on the actuarial equivalent of a 50/50 cost-share.

