

## LOW INCOME ASSISTANCE

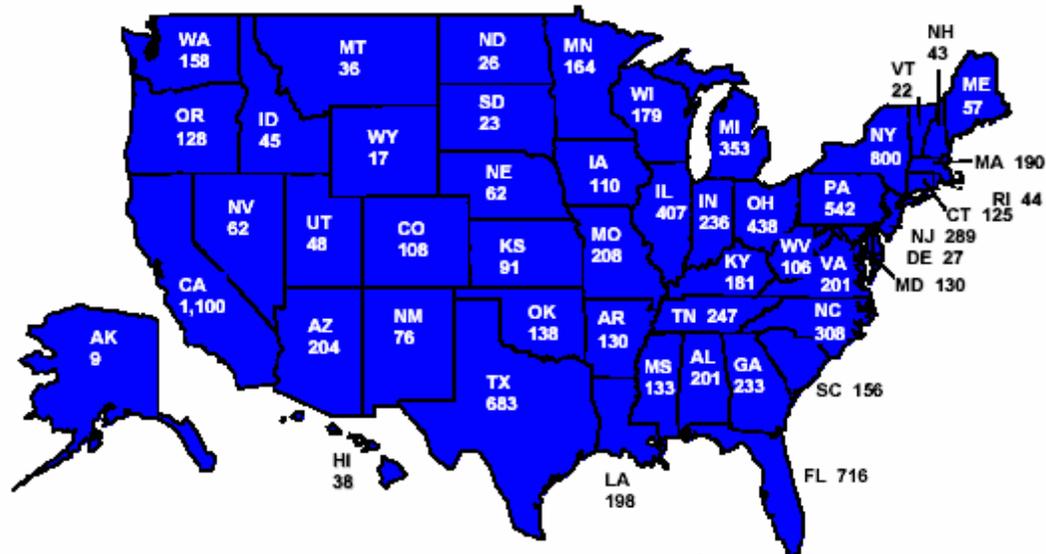


# A PRESCRIPTION DRUG PLAN FOR A STRONGER MEDICARE

## Helping Seniors Who Need It the Most

*One point of widespread agreement in the debate over Medicare is that the greatest assistance should be targeted to the seniors who need it the most. The bipartisan prescription drug package incorporates this fundamental principle, helping America's low income seniors the most.*

### Medicare Beneficiaries Who Will Pay No More Than \$5.00 Per Prescription Under Compromise Agreement (In Thousands)



**Approx. 10 million Low-Income Medicare Beneficiaries Will Pay No More Than \$5.00 Per Prescription**

Source: Muse & Associates estimates, 11/17/2009. To develop these estimates, Muse & Associates simulated the methodology that has been developed by the Congressional Budget Office (CBO) and incorporated data from the Medicare Current Beneficiary Survey conducted by the Office of the Actuary, CMS, HHS and U.S. Bureau of the Census poverty data for the elderly.

### 2004 and 2005:

- The bipartisan Medicare prescription drug package provides IMMEDIATE help for the most needy seniors through a prescription drug discount card.
- The Rx discount card will provide immediate discounts of up to 25% on medications.

- In addition, for seniors with incomes under 135% of the poverty level (\$12,569 individuals; \$16,862 couples\*), the plan provides an immediate \$600 to purchase medicines.
- These low income seniors will be able to access the \$600 in assistance through the Medicare-endorsed, prescription drug discount card, “drawing down” from the \$600 to purchase medicine.

## **2006 and Beyond:**

Once the full benefit is phased into Medicare, low income seniors will receive an even more generous benefit:

- ***Seniors below 100% of poverty(\$10,300 Individual; \$13,250 Couple\*\*):***
  - No deductible.
  - No premium.
  - Pay a low \$1 co-payment for generic medications, \$3 for brand name.
  - No gaps in coverage.
- ***Seniors below 135% of the federal poverty level (\$13,900 individual; \$17,900 couple\*\*):***
  - No deductible.
  - No premium.
  - Pay a low \$2 co-payment for generic medication, \$5 for brand-name.
  - No gaps in coverage.
- ***Seniors between 135% and 150% of the federal poverty level (\$13,900 to \$15,400 individual; \$17,900 to \$19,900 couple\*\*):***
  - Modest deductible of \$50.
  - Sliding-scale premium assistance, providing more assistance to the poorest seniors.
  - 15 percent co-insurance up to the catastrophic level (\$3,600).
  - Above the catastrophic level, pay a low \$2 co-payment for generic medications, \$5 for brand-name.
  - No gaps in coverage.

\*Poverty Level Numbers based on 2004 HHS Poverty Guidelines.

\*\*Poverty Level Numbers based on 2006 CBO projections.

#####