



A PRESCRIPTION DRUG PLAN FOR A STRONGER MEDICARE

Medicare Plan Basic Elements

Immediate Savings for Seniors Through Prescription Drug Discount Card:

- Available within six months of becoming law for 2004-2005.
- Swipe card used at point-of-purchase for upfront discounts.
- Provides significant, immediate savings up to 25% off what seniors currently are paying according to HHS.

Universally Available Prescription Drug Benefit:

- Guaranteed Benefit begins in 2006.
- Voluntary, so seniors can choose to participate if they want.
- Option available for seniors to simply add drug coverage to traditional fee-for-service Medicare without any loss of current benefits.
- \$35 monthly premium, \$250 annual deductible.
- Medicare pays 75% of drug costs up to \$2,250.
- Catastrophic Coverage guarantees Medicare pays 95% of drug costs over \$3,600 a year.
- Provides significant savings up to 50% off of what seniors without coverage are currently paying today according to HHS.

Low-Income Assistance to Help Neediest Senior Citizens:

- Comprehensive coverage for low-income single seniors with annual income under \$12,900 and low-income senior couples under \$16,600.
- In 2004-2005, \$600 annual subsidy combined with Rx Discount Card savings to help cover out-of-pocket costs.
- Beginning in 2006, Comprehensive Pharmaceutical Coverage will be offered, with no gap, for \$2 generic and \$5 name-brand prescription co-payment.

Preventive Care & Disease Management:

- Free "Welcome to Medicare" physical exam to learn upfront a senior's health status and future care needs.
- New cholesterol and blood lipid screenings added to basic benefits.
- New disease management programs to keep seniors healthy.

Health Savings Accounts:

- Allow individuals to set aside tax-free savings for lifetime health care needs.
- Savings are portable, from job-to-job and into retirement.
- Contributions can be made by individuals, employers and family members
- Allow annual tax deductible contributions of up to \$2,600 for singles and \$5,150 for families.
- Individuals age 55 and older can make catch-up contributions of up to \$1,000.
- Savings can be used for qualified medical expenses, including retiree health insurance premiums, Medicare expenses, prescription drugs, long-term care services and insurance.