

## Comparison of Medicare Prescription Drug Proposals

| Provision  | H.R. 1, House Republican Bill   | S. 1, Senate Bill   | H. R. 1199, House Democratic Bill  |
|--|---|---|--|
| <b>Provider</b>                                      | Drug benefit provided by private companies  | Drug benefit provided by private companies with a Medicare "fallback"   | Drug benefit provided through Medicare, like all other Medicare benefits   |
| <b>Premium</b>                                       | \$35/month (estimate, can vary across the country)  | \$35/month  | \$25/month   |
| <b>Deductible</b>                                    | \$250/year  | \$275/year  | \$100/year   |
| <b>Prescription Drug Benefit and the Cost to You</b> | <ul style="list-style-type: none"> <li>Medicare pays <b>80% of first \$2,000</b> in drug costs, you pay 20%</li> <li>Medicare pays <b>\$0</b> of drug costs between \$2,001 and \$4,900. This is the "donut hole" and would impact 47% of seniors</li> <li><b>Catastrophic cap.</b> Medicare pays 100% above \$4,900 in drug costs. Wealthier seniors would have a higher catastrophic cap, as much as \$13,200 for the highest-income</li> </ul> | <ul style="list-style-type: none"> <li>Medicare pays <b>50% of first \$4,500</b> in drug costs, you pay 50%</li> <li>Medicare pays <b>\$0</b> of drug costs between \$4,500 and \$5,813. This is the "donut hole" and would impact 12% of seniors</li> <li><b>Purported catastrophic coverage.</b> Medicare pays 90% of costs above \$5,813, you would continue to pay 10% of drug costs. All seniors would have the same catastrophic cap, regardless of income</li> </ul> | <ul style="list-style-type: none"> <li>Medicare pays <b>80% of first \$2,000</b> in drug costs, you pay 20%</li> <li>Medicare pays <b>100%.</b> There is no "donut hole"</li> <li><b>Catastrophic cap.</b> Medicare pays 100% of drug costs above \$2,000. All seniors would have the same catastrophic cap, regardless of income</li> </ul> |

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|------------------------|---|---|---|
| <b>Access to Drugs</b> | Private companies can deny coverage for drugs not on their formulary  | Private companies can deny coverage for drugs not on their formulary                      | You would have coverage for all drugs prescribed by your doctor   |
| <b>Drug Prices</b>     | Prohibits the Government from negotiating lower prescription drug prices  | Prohibits the Government from negotiating lower prescription drug prices                  | Allows the Government to negotiate lower prescription drug prices on behalf of all Medicare beneficiaries |
| <b>Competition</b>     | Beginning in 2010, requires private companies to compete to provide not just the drug benefit but all Medicare services. This would dramatically increase the cost of traditional Medicare, leaving seniors unable to afford it | Private companies may compete, but Medicare would continue to provide benefits to seniors | Medicare continues to provide all benefits  |
| <b>Cost</b>            | \$400 billion/10 years  | \$400 billion/10 years  | \$900 billion/10 years  |

Prepared by the Office of Congressman Robert T. Matsui  
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