

Highlights of HR 1568

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 Benefit Via Medicare Approved Drug 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 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 equivalent to a 80/20 benefit.
- ?? ***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.
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| <i>Medicaid – 150% of fpl</i> | <i>tiered co-payment equivalent to a 90/10 cost share</i> |
| <i>150% - 200% of fpl</i> | <i>tiered co-payment equivalent to a 50/50 cost share*</i> |
- (State option with a federal/state match at the SCHIP rate)
- ?? ***Benefit Counts All Drug Spending:*** Negotiated drug costs ? not just the beneficiaries? out-of-pocket spending ? counts toward the \$4,000 deductible.
- ?? ***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:*** ~\$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.

