

## **Preserving Access to Affordable Drugs (PAAD) Act, S. 2339**

### **The Problem**

- The Congressional Budget Office has estimated that as many as 1.7 million retirees could lose their employer-based prescription drug benefits as a result of the new Medicare prescription drug benefit.
- Also as a result of the new law, hundreds of thousands of seniors currently enrolled in state pharmacy assistance programs (SPAPs) will be forced out of those programs and into a private Medicare drug plan.
- Approximately six million seniors who are dually eligible for Medicare and Medicaid will lose access to their Medicaid prescription drug benefits, which are more generous than the new Medicare benefit will be.
- Despite the fact that the new Medicare law has huge gaps in coverage, seniors who choose to enroll in the new drug benefit will be prohibited from purchasing Medigap coverage to pay for prescription drugs not covered by the new Medicare benefit.

### **The PAAD Act**

- The PAAD Act will ensure that no senior is made worse off by the new Medicare law.
- The PAAD Act will preserve retiree prescription drug coverage by allowing employer contributions to count towards the out of pocket threshold.
- The PAAD Act will allow seniors enrolled in PAAD and Senior Gold and in other state pharmacy assistance programs to remain in these programs without being forced to enroll in the Medicare prescription drug benefit.
- The PAAD Act will allow states to provide supplemental Medicaid prescription drug benefits to low-income seniors and disabled who currently receive generous prescription drug benefits under the Medicaid program and who will now receive their prescription drug benefits through Medicare.
- The PAAD Act will allow beneficiaries enrolling in the Medicare drug benefit to purchase supplemental drug coverage through the Medigap program.
- The PAAD Act eliminates a risky Medicare privatization scheme that threatens to drive the traditional Medicare program out of business.