



Medicare: Issue of the Day

January 22, 2004

BETTER BENEFITS – MORE CHOICES

Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!

The New Prescription Drug Benefit: Low-Income Beneficiary Savings:

- ✧ The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) establishes the new Part D Medicare benefit, which **provides low-income beneficiaries better choices and greater protections.**
- ✧ Starting in 2006, the new Medicare drug benefit will provide drug coverage to low-income individuals eligible for Medicare, thereby reducing their health care costs.
- ✧ Seniors with incomes below 135 percent of the federal poverty level (\$12,123 for an individual; \$16,362 for a couple) will be given immediate assistance through a \$600 annual subsidy to apply toward purchasing their medicines.
- ✧ Beginning in 2006, beneficiaries with limited savings and incomes below 150 percent of the federal poverty level (\$13,470 for an individual and \$18,180 for a couple) will see additional savings.
 - ⊕ Those with limited savings and incomes below 135 percent of poverty (\$12,123 for an individual and \$16,362 for a couple) would pay no monthly premium, no deductible, and only \$2 for generic and preferred multiple source drugs and \$5 for other prescription drugs, with no coverage limit.
 - ⊕ Co-payment amounts will be reduced to \$1 and \$3 for beneficiaries who are dually eligible for Medicare and Medicaid and beneficiaries who have incomes below the federal poverty level (\$8,980 for an individual; \$12,120 for a couple).
 - ⊕ Nursing home residents who are dually eligible for Medicare and Medicaid will have no co-pay.
 - ⊕ Seniors with limited savings and incomes below 150 percent of poverty will pay reduced monthly premiums on a sliding scale, a \$50 deductible, 15 percent cost-sharing, and no coverage limit.