



## ***BETTER BENEFITS – MORE CHOICES***

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

#### **What the Medicare Modernization Act (MMA) Means for African-American Beneficiaries:**

##### **Immediate Assistance for Prescription Drug Coverage:**

- ❖ Under the MMA, **for the first time in the history of the Medicare program, all beneficiaries are provided with access to a prescription drug benefit.** All Medicare beneficiaries, **including nearly 3.5 million African-American beneficiaries, are eligible for immediate savings** of between 10-25% or more on their prescription drugs by participating in the Prescription Drug Card.
- ❖ For low-income Medicare beneficiaries who do not already have drug coverage elsewhere, the drug card will provide up to \$600 per year to help make prescription drugs more affordable, in addition to obtaining discounts off retail prices. **Thus, the 690,000 African-American beneficiaries who would most likely qualify for this benefit would receive approximately \$830 million in additional help to pay for their prescription drug spending.**

##### **Prescription Drug Coverage Under a Strengthened and Improved Medicare:**

- ❖ Starting in 2006, all Medicare beneficiaries will gain access to drug coverage. **For the nearly 700,000 African-American Medicare beneficiaries who do not currently have any drug coverage, this means that** the Medicare Modernization Act will help them cut their bills, not their pills, in half.
- ❖ The poorest African-American beneficiaries will pay no premiums, no deductibles, and would only pay nominal cost-sharing of \$1 for a generic drug or a preferred multiple source drug and \$3 for all other drugs. The insurance value of this subsidy for this vulnerable population is about \$4,000 per person. **Nearly 690,000 African-American beneficiaries are estimated to qualify for this benefit.**
- ❖ Another group of about 1.3 million low-income African-American beneficiaries – including all other seniors who are eligible for full benefits under Medicaid, as well as other seniors with incomes below 135% of the Federal Poverty Level and assets of no more than \$6,000 per individual and \$9,000 per couple – would pay no premiums, no deductibles, and would only pay nominal cost-sharing of \$2 for a generic drug or a preferred multiple source drug and \$5 for all other drugs. The insurance value of this subsidy is just under \$4,000 per person.

- ❖ An additional group of about 190,000 low- income African - American beneficiaries – those with incomes below 150% of the Federal Poverty Limit and assets of no more than \$10,000 per individual and \$20,000 per couple – will have a sliding scale subsidy for their premiums, and would pay both a lower deductible and lower cost-sharing compared to the standard benefit. For an average monthly premium of \$18, the insurance value of this benefit is about \$2,500 per person.
- ❖ African- American beneficiaries above 150% of the Federal Poverty Limit who choose to enroll in a prescription drug plan will receive a 75% subsidy for their prescriptions up to \$2,250 in total spending after meeting a \$250 deductible. Once a beneficiary’s out-of pocket spending reached \$3,600 in any year, the plan would pay for 95% of each prescription, and the beneficiary would be responsible for the remaining 5% or a small co-payment. For a monthly premium of about \$36, the insurance value of this benefit is over \$1,600 per person.

**Preventative Benefits & Disease Management:**

- ❖ Beginning in 2005, Medicare beneficiaries will be covered for an initial physical examination as they sign up for Medicare. **Nearly 160,000 African Americans enroll in Medicare each year and thus, will be covered for this new benefit.**
- ❖ African- American Medicare beneficiaries are disproportionately at risk for cardiovascular disease and diabetes compared to other Medicare beneficiaries. **About 3.5 million African - American beneficiaries will be covered by the new cardiovascular screening blood tests.** Nearly 1.25 million African Americans who qualify for Medicare already have been identified with heart disease.
- ❖ Over one million African- American beneficiaries have diabetes. Nearly a third of those African- American beneficiaries have undiagnosed diabetes. **All of these beneficiaries who could be at risk for diabetes will be covered for the diabetes screening available in 2005.**
- ❖ These new benefits can be used to screen African- American beneficiaries that, if caught early, can be treated, managed, and can result in far fewer serious health consequences.
- ❖ Disease Management is also being introduced into the original Medicare program and is a service that already exists in most integrated health plans. These programs will **provide beneficiaries the tools and support systems to help them manage their chronic illnesses, such as diabetes or cardiovascular disease, and they are likely to substantially benefit African Americans, who are disproportionately at risk for these conditions.**