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**From:** "Besanceney, Brian R." </O=EOP/OU=FIRST ADMINISTRATIVE  
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**Subject:** FACT SHEET: President Calls on Congress to Pass Medicare Prescription Drug Benefit for Seniors

[Fact Sheet\\_Medicare - 5 Ways Seniors Benefit 11-13-03.pdf](#)

## **President Calls on Congress to “Finish the Job” – Pass a Medicare Prescription Drug Benefit for Seniors**

### **Today’s Presidential Action**

- President Bush visited Englewood Neighborhood Center in Orlando, Florida today to meet with seniors and discuss his commitment to improving Medicare by adding prescription drug coverage and enabling seniors to have more choices. The President said both Houses of Congress were nearing final passage of the biggest improvements in senior health care in nearly 40 years, and he urged Congress to “finish the job.” Medicare legislation now being considered in Congress will give seniors prescription drug coverage, better benefits—including expanded coverage for preventive medicine, and more choices in healthcare.
- To underscore the President’s commitment to Medicare reform, senior Administration officials spoke today to senior citizens in five major cities across the country about the importance of passing a Medicare prescription drug benefit. The President’s remarks were video simulcast live to the meetings with these senior officials, which were held in:
  - Phoenix: Tom Scully, Administrator, Centers for Medicare and Medicaid Services
  - Denver: Dr. Elias Zerhouni, Director, National Institutes of Health
  - Philadelphia: Dr. Mark McClellan, Commissioner, Food and Drug Administration
  - Cleveland: Dr. Julie Gerberding, Director, Centers for Disease Control and Prevention
  - Dallas: Dr. Richard Carmona, Surgeon General of the United States

### **Five Ways Seniors Will Benefit From a Medicare Prescription Drug Bill**

Legislation to reform Medicare and give seniors access to prescription drug coverage is currently being considered in Congress. While differences still remain between the House and Senate passed versions, there is bipartisan agreement on a number of important benefits for seniors. It is time for Congress to finish the job so seniors can get help paying for the medicines they need.

**1. Beginning next year, seniors would receive 10-25% savings on the cost of their medicines through a Medicare-approved drug discount card.**



Within six months of the legislation becoming law, seniors could receive a Medicare-approved drug discount card that would enable them to get discounts of between 10-25% off the cost of most prescription drugs at the pharmacy. Since the typical senior spends \$1,285 annually on their medicines, the card could save a senior who lacks drug coverage as much as \$300 annually. The card would be available until 2006, when the full prescription drug benefit takes effect.

An annual \$600 credit would be added to the discount cards of low income seniors (individuals with yearly incomes under \$12,123 and senior couples under \$16,362).

**2. Beginning in 2006, for a monthly premium of about \$35, seniors without coverage today would be able to join a Medicare-approved plan that would cut their yearly drug costs roughly in half.**

Under the new legislation, seniors without coverage today would be pay a premium of about \$35 per month and be able to cut their drug costs roughly in half. For example, for a monthly premium of \$35:

- Seniors with no drug coverage and monthly drug costs of \$200 would save more than \$1,700 on drug costs each year.
- Seniors with no drug coverage and monthly drug costs of \$800 would save nearly \$5,900 on drug costs each year.

**3. Low-income seniors would pay no premiums for the drug benefit and have lower cost-sharing.**

Seniors who can least afford to pay for their prescriptions would receive the most help under this legislation:

- Seniors at 135% of poverty (individuals with yearly incomes under \$12,123 and senior couples under \$16,362) and with limited savings would receive drug coverage for no additional premium, no deductible and low co-payments [\$2 for generic or \$5 for brand-name drugs].
- Seniors, with incomes between 135% and 150% of the federal poverty level (individuals with yearly incomes under \$13,470 and senior couples under \$18,180) and with limited savings would receive drug coverage for a reduced premium, a \$50 deductible, and 15% co-insurance (85% of their drug costs would be covered).

**4. All seniors will benefit from steps to bring generic drugs to market sooner.**

To make prescriptions more affordable for seniors, the legislation would help ensure that safe, lower cost generic versions of drugs are not delayed in reaching the market. At the direction of President Bush, the Food and Drug Administration (FDA) has already taken action to close loopholes that slow the movement of generic drugs to the marketplace. The FDA's actions will help bring generic drugs to market much more quickly – in some cases years earlier – and should save American consumers about \$35 billion over the next 10 years. The Medicare reform bill will bolster these measures by writing them into law.

**5. In addition to significant savings, seniors will also get more choices and better benefits under a strengthened and improved Medicare.**

Under the legislation, seniors will get more choices in health care coverage—including the same types of choices that members of Congress and other federal employees enjoy. Moreover, they will receive better benefits including better coverage of preventive care (e.g., a “welcome to Medicare” physical that would include screening for cancer, diabetes and heart disease, as well as immunizations against pneumonia and the flu). Seniors would also have access to private health plans that offer limits on high out of pocket costs for medical care, and services such as disease management and care coordination. The legislation also helps ensure that seniors who like the lower cost sharing and extra benefits often available in managed care plans will continue to have that option.



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