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**From:** "Besanceney, Brian R." </O=EOP/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=BRIAN\_R\_BESANCENEY>

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**Subject:** TALKING POINTS: The Bipartisan Medicare Agreement  
[Medicare - TPs on Agreement 11-17-03.pdf](#)

## **The Bipartisan Medicare Agreement**

### ***Biggest Improvements in Senior Health Care in Nearly 40 Years***

### ***More Choices – Better Benefits – Savings for Seniors***

*The Bipartisan Medicare Agreement represents a significant achievement in our Nation's efforts to provide affordable prescription drug coverage for seniors and an improved Medicare system. We must make these improvements this year, during this session of Congress. It is time for Congress to finish the job and pass this legislation so that seniors can get the help they need and the choices and benefits they deserve.*

#### **Prescription Drug Savings for Seniors**

- For the first time in Medicare's history, a prescription drug benefit will be offered to all 40 million seniors and disabled Americans in Medicare to help them afford the cost of their medicines.
- Beginning next year, seniors would save 10-25% off the cost of most medicines through a Medicare-approved drug discount card. Seniors would be able to take the card to their local pharmacy and receive the discount. Since the typical senior spends \$1,285 annually on his or her medicines, the card could save a senior who lacks drug coverage as much as \$300 annually. The card would provide savings until the full drug benefit goes into effect.
- Beginning in 2006, seniors without coverage would be able to join a Medicare-approved plan that would cut their yearly drug costs roughly in half, in exchange for a \$35 monthly premium. In many cases, the savings will be even greater.
  - 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.
  - Seniors would be protected against high out-of-pocket costs with Medicare covering 95% of drug costs over \$3,600 per year.
- Low-income seniors will receive additional help paying for their medicines.
  - A \$600 annual subsidy would be added to their drug discount card.
  - There would be no additional premiums, no deductible and low co-payments (\$2 for generic or \$5 for brand-name drugs) for seniors with limited savings and incomes at or below 135% of poverty (individuals with yearly incomes under



- \$12,123 and senior couples under \$16,362).
- There would be reduced premium, a \$50 deductible, and 15% co-insurance (85% of their drug costs would be covered) for seniors with limited savings and incomes between 135% and 150% of the federal poverty level (individuals with yearly incomes under \$13,470 and senior couples under \$18,180).
- All seniors will save from steps to bring safe, lower cost generic drugs to market sooner. The President took steps earlier this year to bring generic versions of drugs to market sooner, and this legislation will strengthen those efforts that are estimated to save American consumers about \$35 billion over the next 10 years.

### **More Choices—Better Benefits—And the Choice to Stay with the Coverage You Have Today**

- Seniors will have more choices in health care—including the same kinds of choices that members of Congress and other Federal employees enjoy today. Seniors will be able to choose the healthcare plan that best fits their needs—instead of having that choice made by the government.
- Seniors can choose to stay in traditional Medicare and still get prescription drug coverage. Or, they can choose a new Medicare-approved private plan where the drug benefit is integrated into broader medical coverage, including disease management programs and protections against high out-of-pocket medical spending. Or, seniors who like the lower cost sharing and extra benefits often available in managed care plans would be able to make that choice as well.
- Under a modernized Medicare, there will be better coverage for 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).
- All Americans can benefit from provisions in the bill that will remove excessive restrictions on health savings accounts, which will give individuals more control over the costs of their health care.

### **Reforms to Strengthen and Modernize Medicare**

- Private health plans will compete for seniors’ business by providing better coverage at affordable prices—helping to control the costs of Medicare by using market-place competition, not government price-setting.
- Private sector competition will result in more innovation and flexibility in coverage. This will be a significant improvement over the way benefits are provided in Medicare today –where politicians and bureaucrats, rather than healthcare markets, dictate what is covered and what is paid.
- Private employers will receive incentives to continue to provide drug coverage to their retirees.
- New accounting safeguards will put the program on a stronger financial foundation by alerting future congresses and presidents when the program’s costs are rising faster than expected so they can address the problem.





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WHITE HOUSE OFFICE OF COMMUNICATIONS

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- Seniors can choose to stay in traditional Medicare and still get prescription drug coverage. Or, they can choose a new Medicare-approved private plan where the drug benefit is integrated into broader medical coverage, including disease management programs and protections against high out-of-pocket medical spending. Or, seniors who like the lower cost sharing and extra benefits often available in managed care plans would be able to make that choice as well.
- Under a modernized Medicare, there will be better coverage for 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).
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