



Medicare: Today's Issue

March 3, 2004

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 Minority Beneficiaries:

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) provides minority beneficiaries with the best possible care, better benefits, greater protections, and more choices.

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. Among these are 7.8 million minority beneficiaries.** Beneficiaries are eligible for **immediate savings** of between 10–25% or more on prescription drugs by participating in the Prescription Drug Card.
- ❖ For low-income beneficiaries, **including over 1.5 million low-income minority beneficiaries**, who do not already have drug coverage, the drug card will give them up to \$600 per year to help them afford their medicines, in addition to discounts off retail drug prices. That's nearly \$2 billion in additional help for minority beneficiaries.

Prescription Drug Coverage Under a Strengthened and Improved Medicare:

- ❖ Starting in 2006, all beneficiaries, including minority beneficiaries, **will gain access to drug coverage** they would not otherwise have. The Medicare Modernization Act **will help them cut their bills in half, not their pills in half.**
- ❖ The poorest minority beneficiaries – the nearly 2 million with incomes below 100% of the Federal Poverty Level who are eligible for full benefits under Medicaid – will pay no premiums, no deductibles, and will 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 over \$4,000 per person.
- ❖ The group of over 2.5 million low-income minority beneficiaries – 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 – will pay no premiums, no deductibles, and will 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 430,000 low-income minority 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 get sliding scale subsidies for their premiums, and 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 subsidy is over \$2,500 per person.
- ❖ Beneficiaries above the 150% of the Federal Poverty Limit who choose to enroll in a prescription drug plan will receive a 75% subsidy for their prescriptions (after meeting a \$250 deductible), and be responsible for 25% coinsurance, up to \$2,250 in total spending. Once an enrollee's out-of-pocket spending reaches \$3,600 in any year, the plan will pay for 95% of each prescription, and the enrollee will be responsible for 5% or a small co-payment. For a monthly premium of about \$36, the insurance value of this subsidy is over \$1600 per person.

Preventative Benefits & Disease Management:

- ❖ Beginning in 2005, each year nearly 360,000 newly enrolled **minority Medicare beneficiaries will be covered for an initial physical examination.**
- ❖ Minority Medicare beneficiaries are disproportionately at risk for cardiovascular disease and diabetes compared to all Medicare beneficiaries. **Over 7.8 million minority beneficiaries will be covered for cardiovascular screening blood tests.** This will assist the over 2.7 million minorities with heart disease.
- ❖ Over 2 million minority beneficiaries have diabetes. Nearly a third of those minority beneficiaries have undiagnosed diabetes. **All minority beneficiaries that are at risk for diabetes will be covered for diabetes screening.**
- ❖ These new benefits can be used to screen minority beneficiaries for many illnesses and conditions that, if caught early, can be treated, managed, and can result in far fewer serious health consequences.
- ❖ Disease Management is 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** and they are likely to substantially benefit minorities.