

Committee on Ways and Means

Medicare Prescription Drug, Improvement, and Modernization Act of 2003

Low-Income Assistance Provided in the Medicare Prescription Drug Benefit

The conference report provides extra assistance for low-income seniors with incomes up to 150% of poverty.

- Those eligible for both Medicare and Medicaid would be federalized into Medicare, and federal rules would apply throughout benefit.
- Cost-sharing and premium assistance for those up to 150% of poverty with no gap in coverage.
- For dual eligible seniors with incomes below 100% of poverty \$1 for generics and \$3 for brand name prescriptions.
- Up to \$2 copays for generics drugs and up to \$5 copayment for brand name/and non-preferred drugs (indexed) for all other low-income beneficiaries under 135% of poverty. Medicaid can provide coverage for classes of drugs not covered by Medicare (e.g. prescribed over-the-counter, benzodiazepines etc.)
- House asset test (\$6,000/\$9,000 and indexed to inflation) for those below 135% of poverty
- Below 150% of the federal poverty level – \$50 deductible and a sliding scale premium; 15% coinsurance up to the catastrophic limit; \$2-\$5 copayments thereafter. Asset test (\$10,000/\$20,000 single/couple indexed to inflation)

Seniors who benefit from low-income assistance:

- For 2001, 28.1% of seniors have incomes below 135% of poverty
(*Singles: \$13,896.90; couples: \$17,887.50*)
- For 2001, 33.9% of seniors have incomes below 150% of poverty (*Singles: \$15,441; couples: \$19,875*)