

## Problems with the Low-Income Provisions in the Compromise Medicare Bill

Families USA is deeply concerned about several provisions of the compromise Medicare bill that affect the lowest-income Medicare beneficiaries. These issues are outlined below.

What is the issue?	Who is affected?	What is the impact?
<p>The <b>asset test</b> prevents very low-income beneficiaries from getting help with the donut hole, premiums, copays, and deductibles.</p> <p>The asset test is actually <i>more stringent</i> for the lowest-income people.</p>	<p><b>3.4 million people</b></p> <p>1) People living on incomes under 135% of poverty who have assets over \$6,000 for an individual or \$9,000 for a couple</p> <p>2) People with incomes from 135% to 150% of poverty who have assets over \$10,000 for an individual or \$20,000 for a couple.</p>	<p>In the original Senate-passed bill, all these people got the same relief as people with incomes between 135% and 150% of poverty.</p> <p>Now these low-income people face the same donut hole, premiums, deductibles, and copay burdens of higher-income individuals.</p>
<p><b>Medicaid “Medically Needy”</b> people (those with higher incomes but huge medical expenses that eat up the majority of their incomes) will be left without any help from Medicaid for prescription drugs.</p>	<p>About <b>1 million</b> people per year</p>	<p>Today, Medicaid pays premiums, deductibles, and any copays above \$0 to \$3. Medically Needy people with income over 100% of poverty <b>will not get any of that assistance under this bill and will be much worse off.</b></p>
<p>Dual eligibles (those eligible for both Medicare and Medicaid) will have <b>higher out-of-pocket costs</b> than they do today in Medicaid.</p>	<p><b>6.1 million people</b></p>	<p>Dual eligibles with incomes under 100% of poverty will pay \$1 to \$3 in 2006, but that copay will rise as the cost of health care goes up.</p> <p>Dual eligibles with incomes over 100% of poverty will pay significantly higher copays than they do today.</p>
<p>Medicaid coverage of <b>necessary medicines</b> that Medicare refuses to cover is prohibited.</p>	<p><b>6.1 million people</b></p>	<p>If the drug plan that a dual-eligible is enrolled in does not cover a specific drug, Medicaid won’t be able to help by providing the drug. Since the drug plans are expected to “control costs” with strict formularies, pre-authorization requirements, and other restrictions, this could be a severe barrier that prevents people from getting the drugs they need. Today, Medicaid covers medically necessary drugs for all of these dual eligibles.</p>