

GOP Rx DRUG PLAN

A BAD DEAL FOR SENIORS

A BAD DEAL FOR PEOPLE WITH DISABILITIES

A BAD DEAL FOR MEDICARE

DEMOCRATS SUPPORT A REAL MEDICARE DRUG BENEFIT THAT IS

- ✓ Affordable
 - affordable premiums
 - reasonable deductible
 - lowers the cost of prescription drugs
- ✓ Guaranteed
- ✓ Available to all seniors and people with disabilities
- ✓ Within the Medicare program

THE GOP DRUG BENEFIT IS

✘ Not Voluntary

- If seniors and people with disabilities do not join in the beginning, premiums increase each year they do not enroll

✘ Jeopardizes existing drug benefits for retirees

- 2.7 million seniors will lose their drug coverage

✘ Huge \$2,800 gap in coverage

✘ Designed to help HMOs and big drug companies, not seniors or people with disabilities

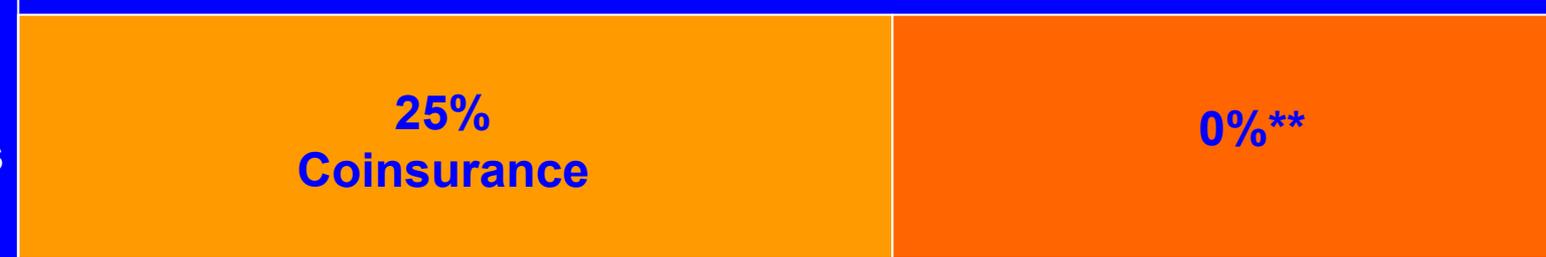
GOP BILL HAS \$2,800 GAP IN COVERAGE

□ Deductible
 ■ Coinsurance
 □ Gap
 ■ Catastrophic

Conference Bill



Federal Employees Plan

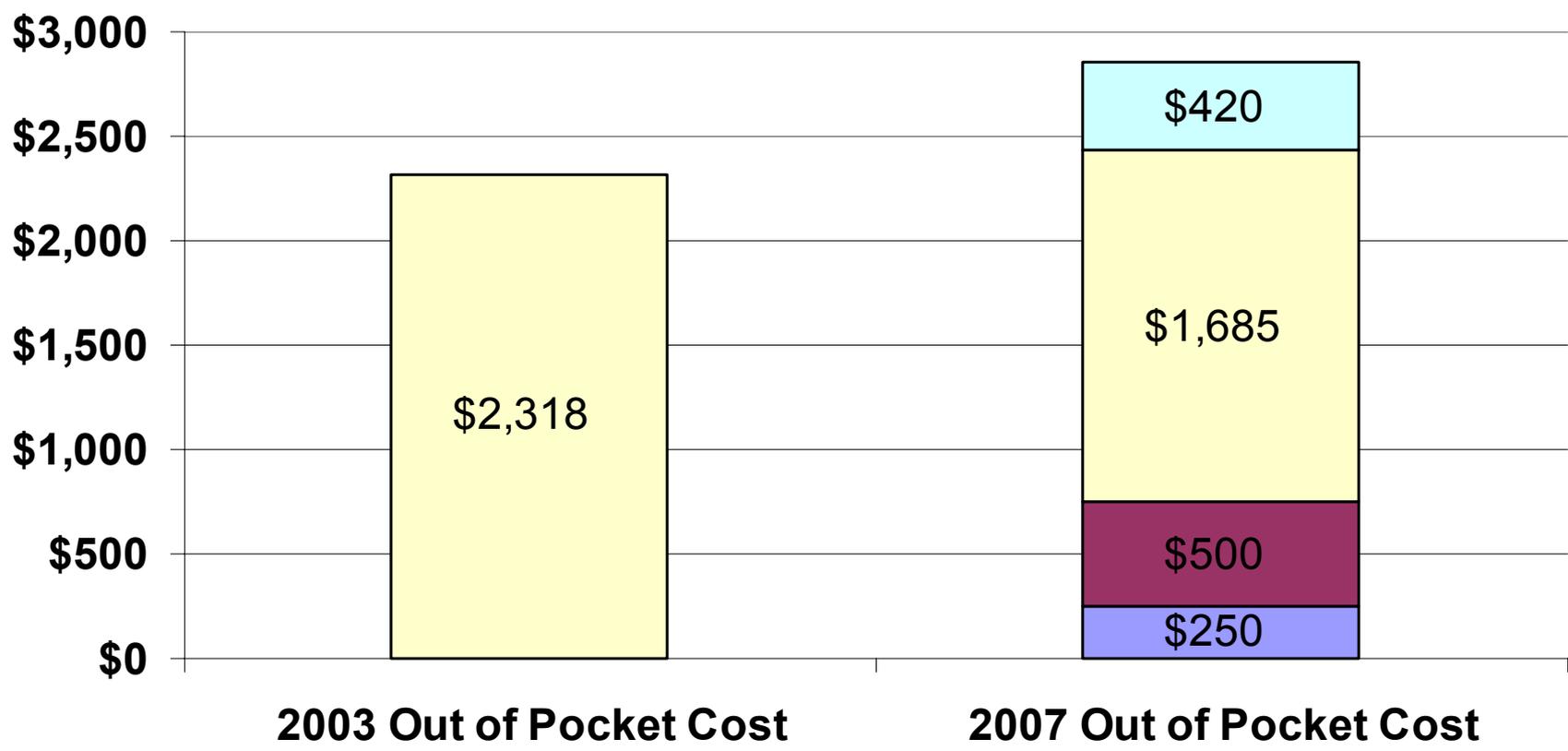


\$0 \$1,000 \$2,000 \$3,000 \$4,000 \$5,000 \$6,000 \$7,000

Total Spending by Beneficiary

*For seniors with retiree health coverage that limits cost sharing to 20%, \$3,500 is reached at \$17,500 in spending

SENIORS PAY MORE UNDER GOP PLAN



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SENIORS' COSTS REMAIN HIGH UNDER GOP PLAN

	Annual Drug Costs of \$3,000	Annual Drug Costs of \$5,100
Deductible	\$250	\$250
Estimated Premium	\$420	\$420
Copayments	\$500	\$500
Coverage Gap	\$750	\$2,850
Total Cost to Beneficiary	\$1,920	\$4,020

GOP BENEFIT IS NOT VOLUNTARY

- Seniors face increased premiums every year they wait to enroll
- Average monthly premium after a five year wait is over \$60
- Seniors and people with disabilities have no opportunity to evaluate the new benefit unless they accept the financial penalty of increased premiums

A PRESCRIPTION FOR PROFIT

Big Drug Companies Are the Real Winners Under the GOP Bill

Rx COMPANY WISH LIST	IN FINAL PROGRAM?	SENIORS LOSE!
Limiting Purchasing Power	✓	Seniors cannot leverage purchasing power to get lower prices.
Meaningless Reimportation Provisions	✓	Seniors cannot get lower priced drugs from other countries.
Huge Windfall Profits	✓	Medicare can't negotiate lower prices, so drug companies get \$139 billion in windfall profits.
No Public Scrutiny of Drug Company / Insurer Kickback Arrangement	✓	Drug companies can make backroom deals with insurers to promote certain drugs and boost profits – and seniors will never know.

2.7 MILLION RETIREES LOSE THEIR DRUG COVERAGE

- Under the GOP plan, 2.7 million retirees lose the drug coverage they earned through a lifetime of hard work
- These seniors will pay more for their prescription drugs.

GOP PLAN FOR MEDICARE

“To those who say that [the bill] would end Medicare as we know it, our answer is: We certainly hope so.”

Bill Thomas, Chairman of the Ways and Means Committee, MSNBC, 6/25/03

“I believe the standard benefit, the traditional Medicare program, has to be phased out.”

Rick Santorum, Chairman of the Senate Republican Conference, 5/21/03

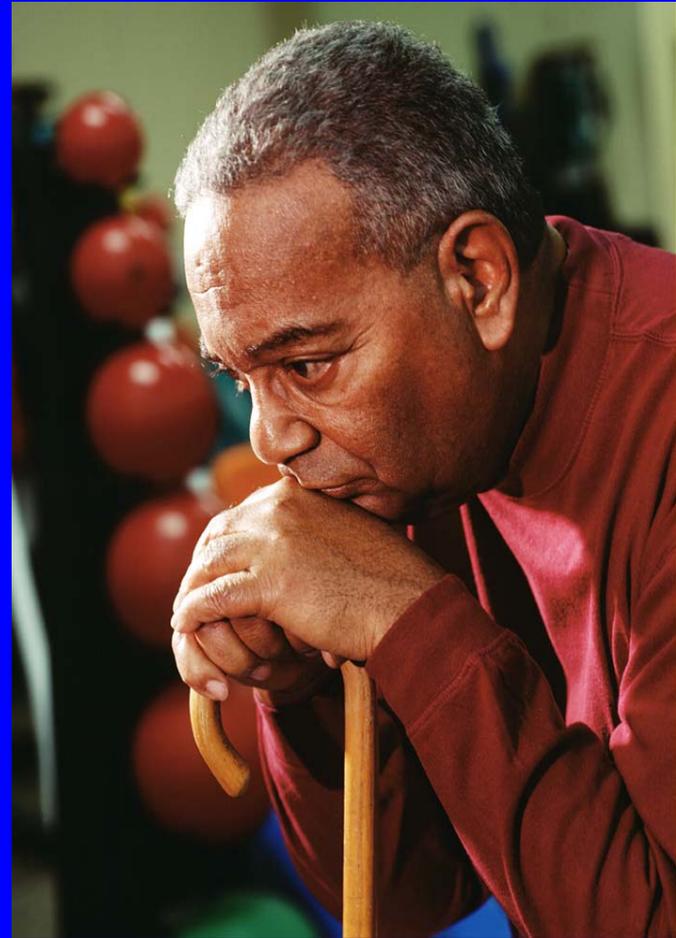
Former Majority Leader Armev called Medicare “a program that I would have no part of in a free world.”

Chicago Tribune, 7/11/95

The Democratic Alternative

No Gaps or Gimmicks

- **Premium: \$25 a month**
- **Deductible: \$100 a year**
- **Co-insurance: beneficiaries pay 20%; Medicare pays 80%**
- **Out-of-pocket limit: \$2,000 per beneficiary per year**
- **Additional low-income assistance**



The Democratic Alternative

Lower Drug Prices, Affordable Drugs for Seniors

- Uses the collective bargaining power of Medicare's 40 million beneficiaries to guarantee lower drug prices
- Ensures that seniors can re-import drugs with lower prices from other countries.



The Democratic Alternative

The Choices that Matter

- Choice of prescription drug
- Choice of pharmacy
- Choice of doctor and hospital

