

HIGHLIGHTED COMPARISON OF HOUSE & SENATE BILLS

The bills below are now in conference and will continue into this fall. The conferees must produce an agreed upon report. The House and Senate must pass it again, and then the President would sign it. Below are highlights of the House and Senate bills.

HOUSE BILL (H.R. 1) PROVISIONS

PRESCRIPTION DRUG CARD (MEDICARE PART D)

The bill establishes an interim Medicare prescription discount card program, effective 90 days after the bill is signed and provides assistance to low-income Medicare beneficiaries. Program would expire in January 2006 when the more comprehensive program is implemented. Annual card fee is \$30.

PRESCRIPTION DRUG PROPOSAL

Annual Deductible: \$250/year

Estimated Monthly Premium: \$35

Beneficiary Co-pay: 20% of the costs from \$251-\$2,000/year. Beneficiaries would pay 100% of all drug costs between \$2,001-\$3,500.

Catastrophic Drug Coverage: Medicare pays 100% of drug costs after insured reaches out-of-pocket spending of \$3,500. Maximum varies with income.

MEDICARE REFORM — NEW PLAN OPTIONS

Medicare+Choice plans are renamed "Medicare Advantage" (MA). Beginning in 2006, beneficiaries could choose between local-based MA plans and regional PPOs called Enhanced Fee-For-Service (EFFS) plans.

Each Medicare Advantage plan would be required to offer:

- *Medicare Part A/B benefits, except hospice
- *At least one qualified prescription drug plan
- *Chronic care management benefits
- *Additional medical benefits

Each Fee-For-Service plan would be required to offer:

- *Standard and catastrophic benefits for Medicare Part A/B.
- *At least one qualified prescription drug plan
- *Additional medical benefits

MEDIGAP CHANGES

After January 1, 2006, no new Medigap policies can be issued that cover drug expenses (Plans H, I and J), unless it is a replacement policy that provides equivalent coverage. Beneficiaries who currently have Medigap drug coverage plan would be guaranteed enrollment in a non-drug Medigap policy. Two new Medigap policies would be created with expanded cost-sharing, including drugs (but not the deductible). These plans would be available only to Part D enrollees. United American does not offer Plans H, I and J.

SENATE BILL (S.1) PROVISIONS

PRESCRIPTION DRUG CARD (MEDICARE PART D)

The bill establishes an interim Medicare prescription drug discount card program, effective in 2004, and provides assistance to low-income Medicare beneficiaries. Program would expire in January 2006 when the more comprehensive program is implemented. Annual card fee is \$25.

PRESCRIPTION DRUG PROPOSAL

Annual Deductible: \$275/year

Estimated Monthly Premium: \$35

Beneficiary Co-pay: 50% of the costs from \$276-\$4,500/year. Beneficiaries would pay 100% of all drug costs between \$4,501-\$5,800.

Catastrophic Drug Coverage: Medicare pays 90% of drug costs after insured reaches out-of-pocket spending of \$3,700.

MEDICARE REFORM — NEW PLAN OPTIONS

Medicare+Choice plans are renamed "Medicare Advantage" (MA). Beginning in 2006, beneficiaries could choose between local-based MA plans and regional MA PPOs.

Each Medicare Advantage plan would be required to offer:

- *Medicare Part A/B benefits, except hospice
- *Qualified prescription drug coverage
- *Maximum limitation on out-of-pocket expenses and a unified deductible
- *Any required enhanced benefits
- *Disease management and chronic care services
- *Additional medical benefits

Each Fee-For-Service plan would be required to offer:

- *Standard and catastrophic benefits for Medicare Part A/B.
- *At least one qualified prescription drug plan
- *Additional medical benefits

MEDIGAP CHANGES

After January 1, 2006 no new Medigap policies can be issued that cover drug expenses, unless it is a replacement policy that provides equivalent coverage. Beneficiaries who currently have Medigap drug coverage plan would be guaranteed enrollment in a non-drug Medigap policy.