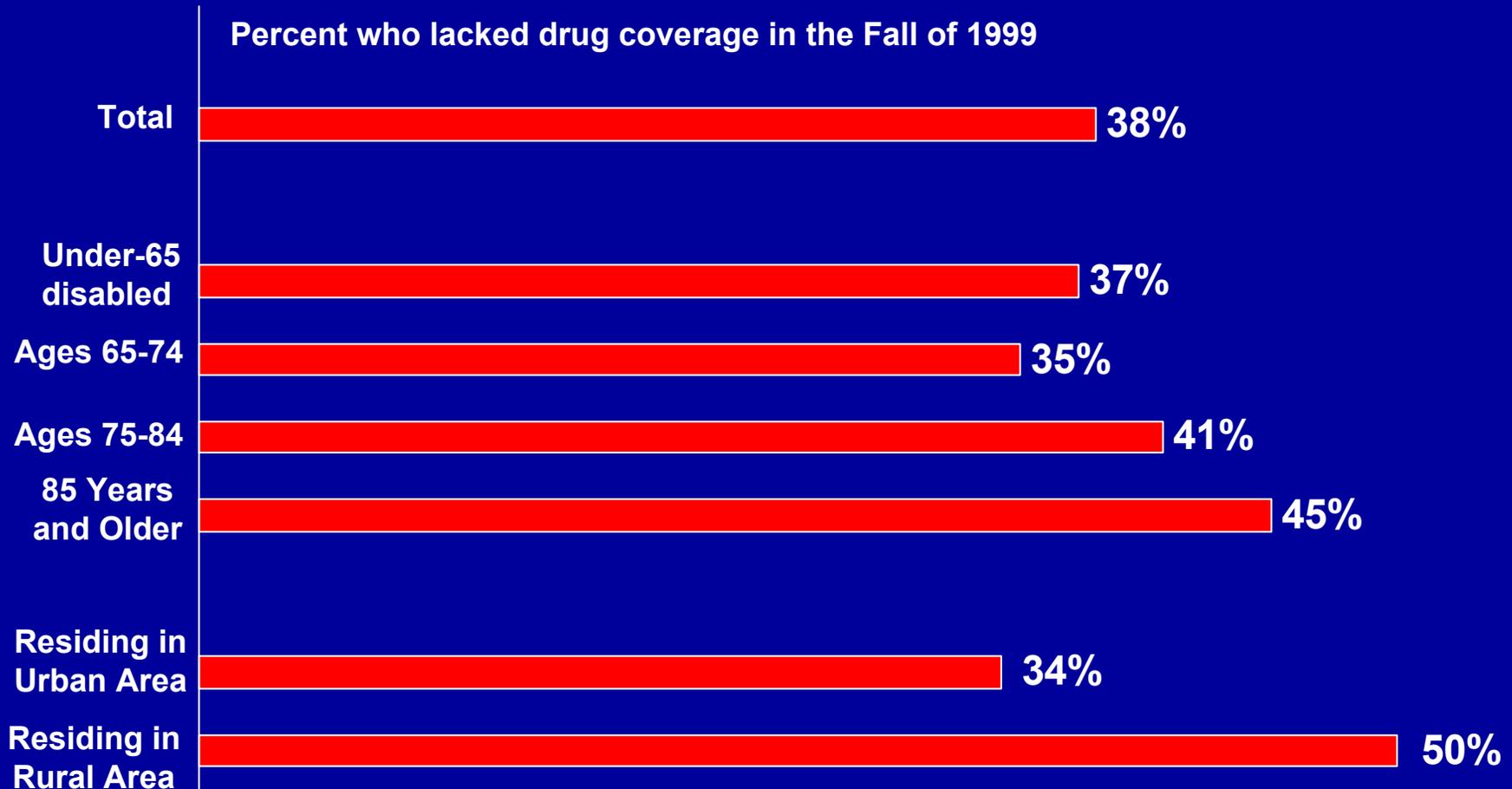
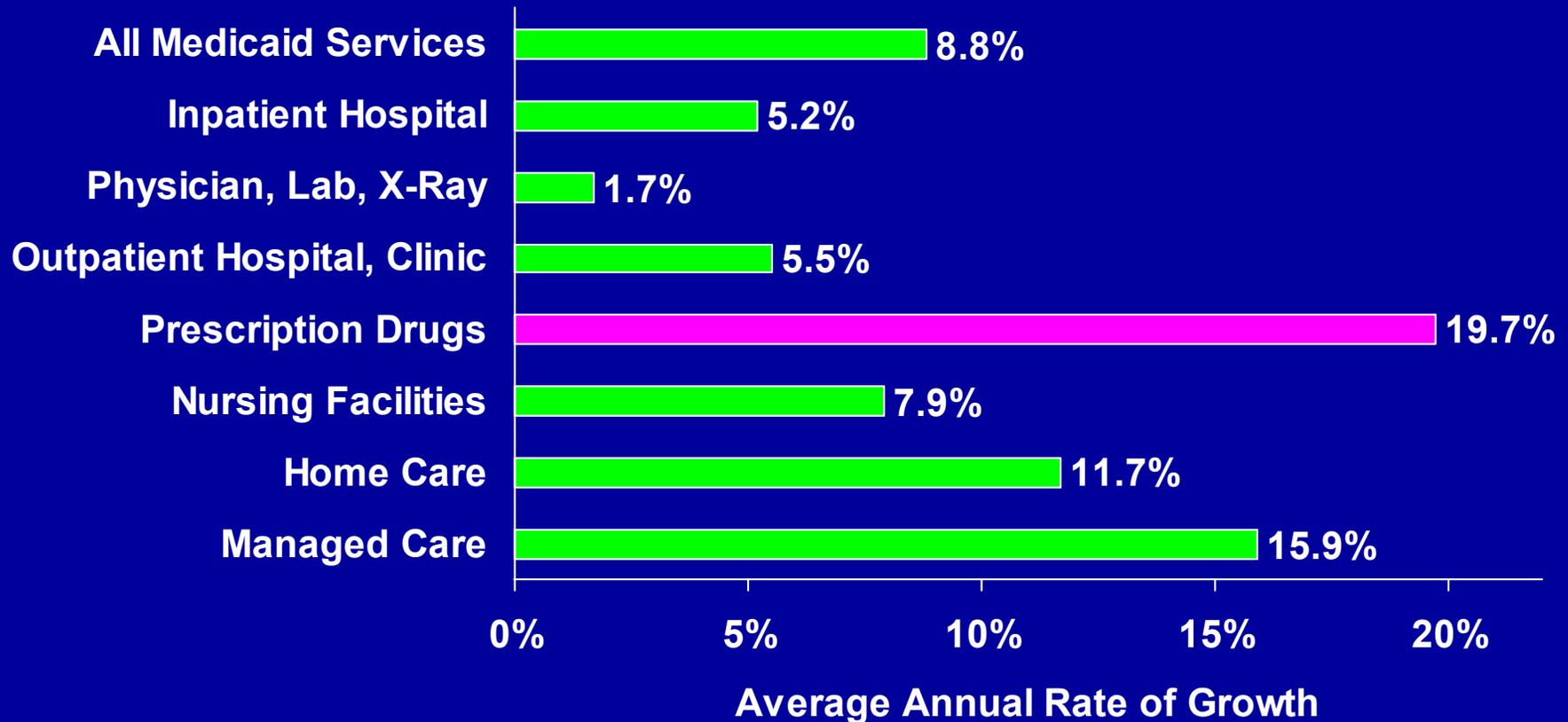


Percent of Medicare Beneficiaries Lacking Drug Coverage, Fall 1999



SOURCE: Laschober, et al., *Health Affairs*, February 27, 2002; Point-in-time estimates based on analysis of 1999 MCBS Access to Care Files.

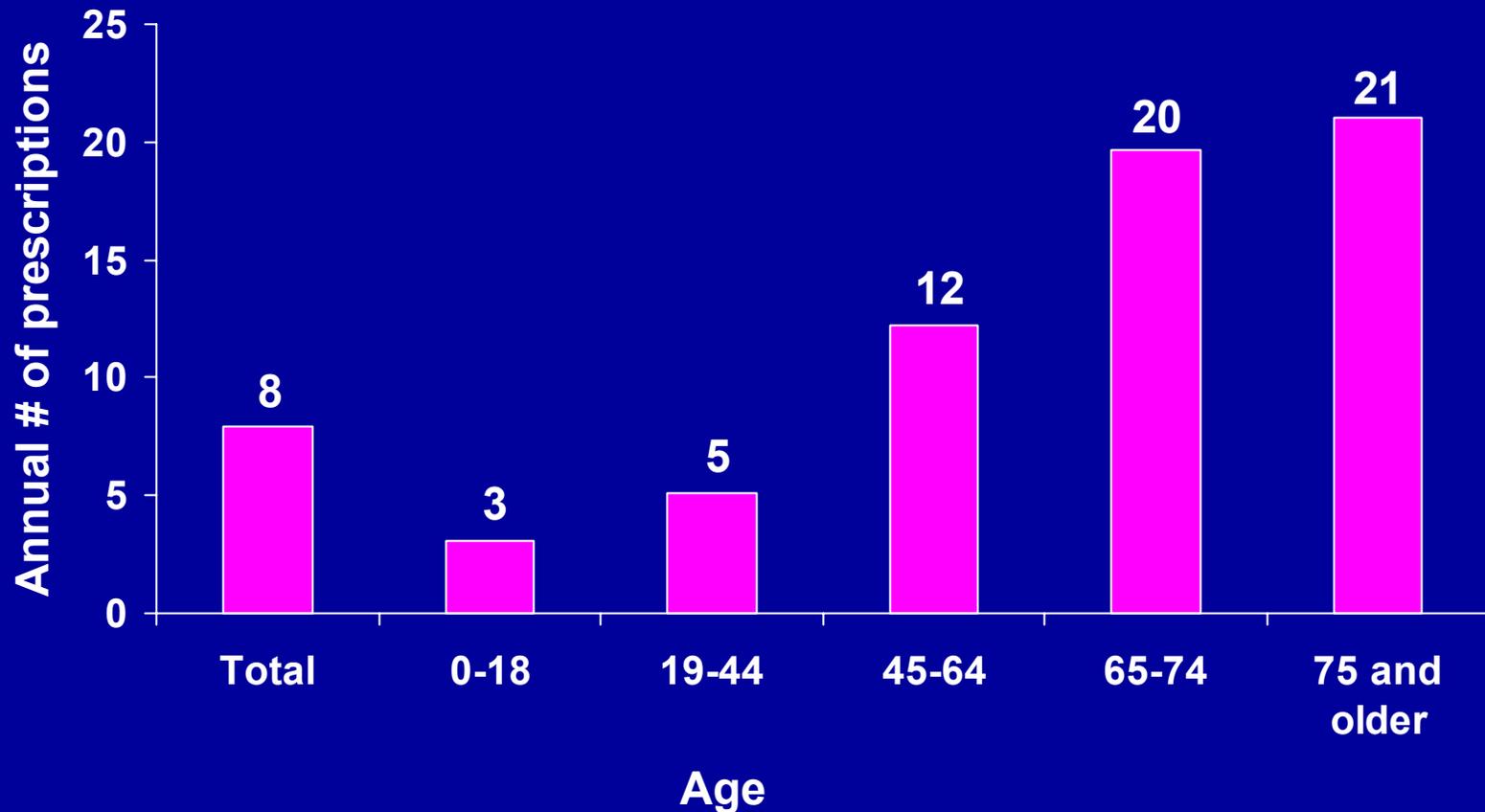
Average Annual Rate of Growth in Selected Medicaid Expenditures, 1998-2000



Note: All growth rates shown represent changes in total fee-for-service expenditures for the types of services listed (except for 'managed care,' which includes a wide range of medical services).

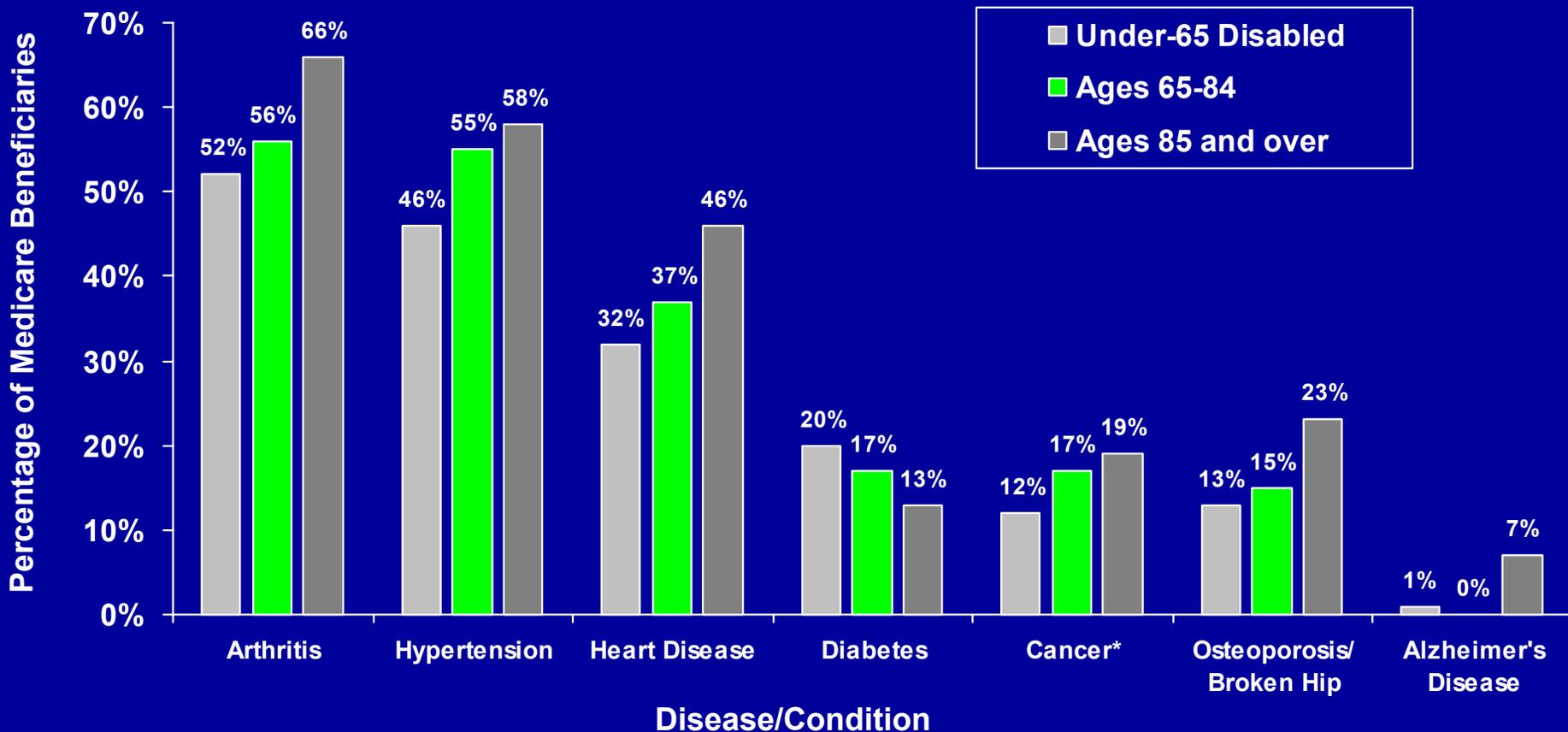
Source: CMS, CMSO, Financial Management Reports (HCFA-64 data).

Prescription Drug Utilization, By Age, 1996



SOURCE: Center for Cost and Financing Studies, Agency for Health Care Policy and Research: Medical Expenditure Panel Survey Household Component, 1996.

Chronic Conditions Among Non-Institutionalized Medicare Beneficiaries, 1999

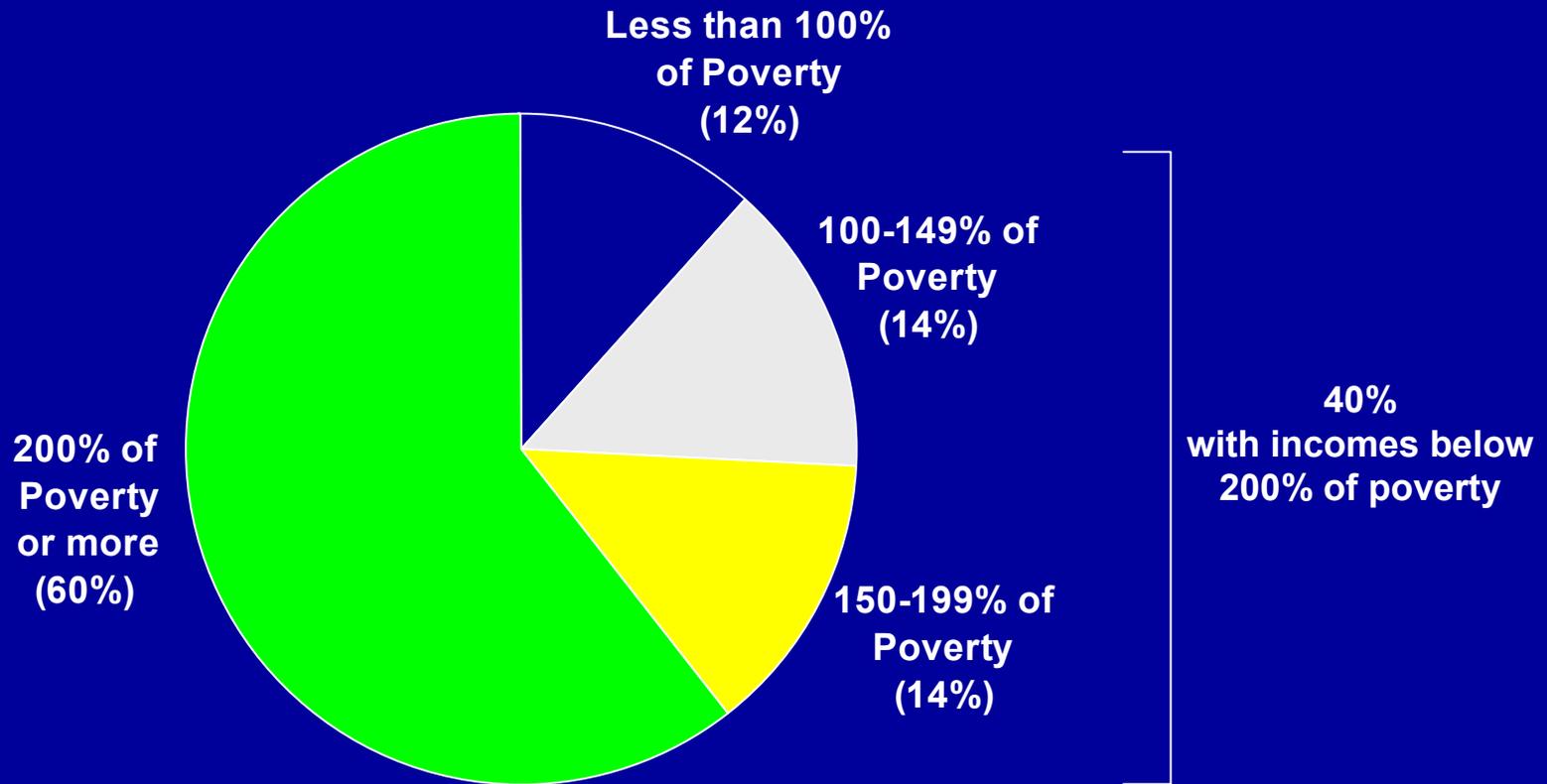


*Excludes skin cancer.

Note: Excludes institutionalized beneficiaries.

SOURCE: Barents Group of KPMG Consulting's analysis of the 1999 Medicare Current Beneficiary Survey.

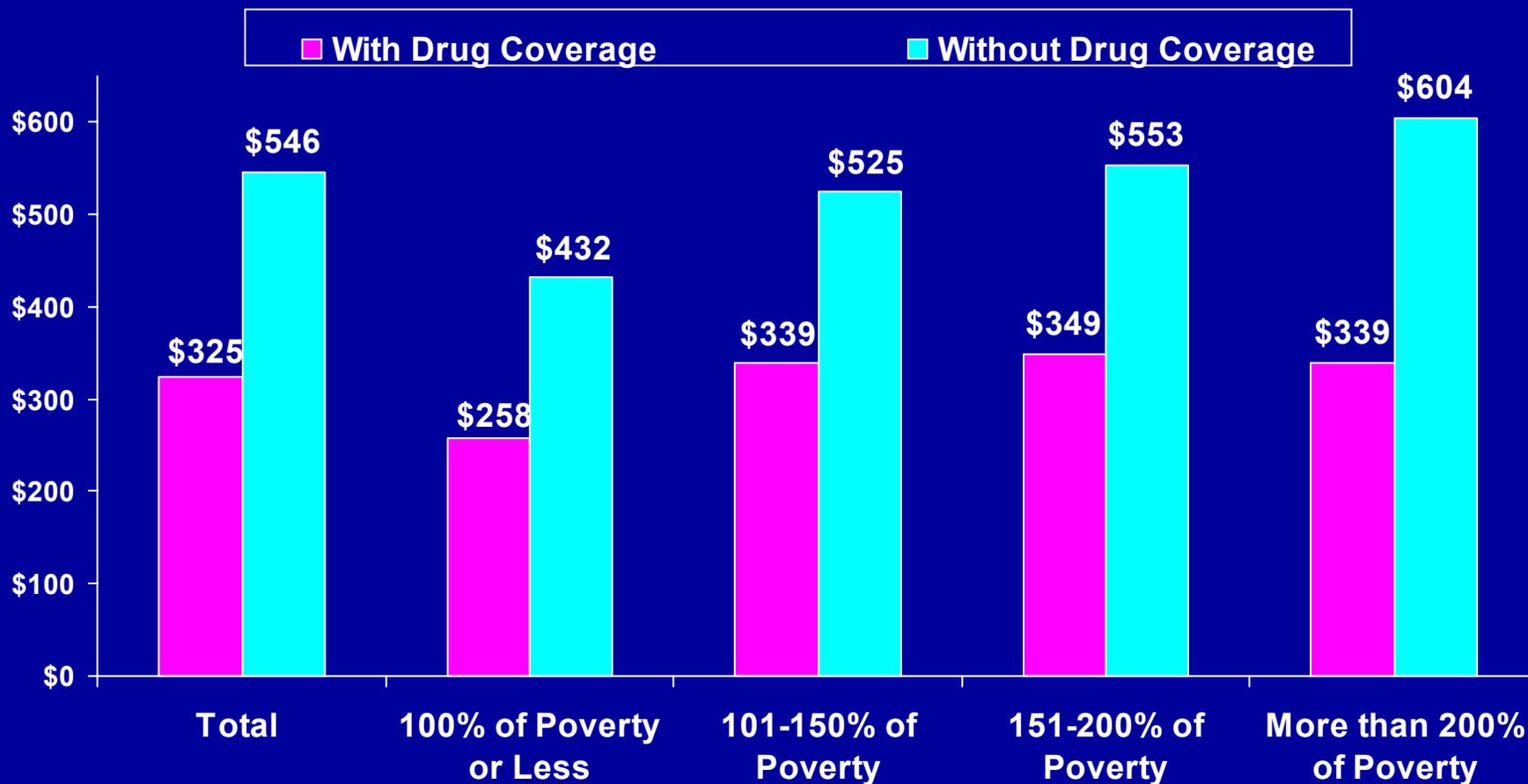
The Non-Institutionalized Medicare Population, by Poverty Level, 1999



Total = 36 Million Medicare Beneficiaries

Note: Reflects income from all household family members. 1999 federal poverty level: \$8,240 for individuals; \$11,060 for couples.
Source: Urban Institute estimates based on 2000 Current Population Survey;

Out-of-Pocket Drug Spending Among Non-Institutionalized Beneficiaries, by Drug Coverage and Poverty Status, 1998



Projected Prescription Drug Spending for the Medicare Population, 2001-2011

(Total = \$1.5 trillion)



SOURCE: CBO, January 2001 baseline.

Illustrative Comparison of Retail Prescription Drug Prices

<u>Drug</u>	<u>Washington, DC Average Retail Price (a)</u>	<u>Discount Card Retail Price (b)</u>	<u>FEHB BC/BS PPO Co-payment (c)</u>
Prilosec, 20mg (Gastrointestinal agent)	\$121.64	\$115.00	\$25.00
Zocor, 20mg (Lipid lowering agent)	\$122.25	\$112.79	\$25.00
Premarin, .625mg (Estrogen replacement)	\$22.84	\$21.40	\$25.00*
Celebrex, 200mg (Anti-inflammatory/ Analgesia)	\$80.34	\$67.69	\$25.00
Monthly Total	\$349.07	\$316.88	\$100.00

* Consumer would pay retail price if lower than the co-payment.

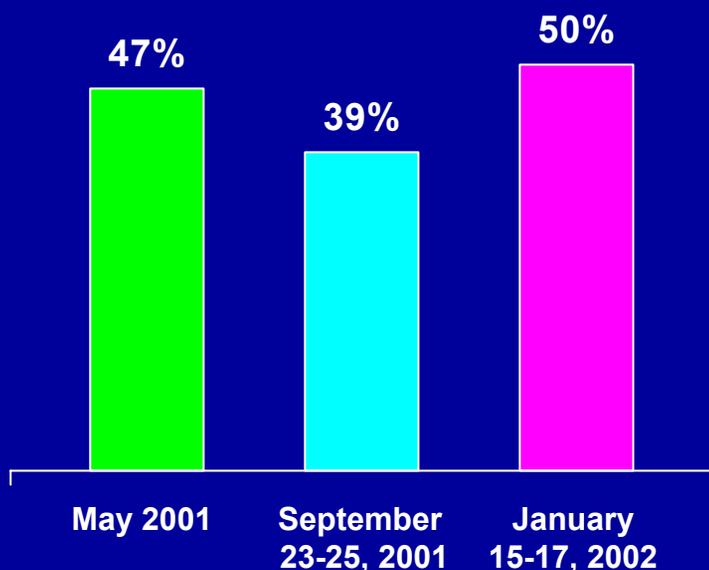
Washington, DC average price reflects the average of prices obtained from five area drug stores, as reported by the GAO. (GAO-02-280R), December 5, 2001.

Discount card prices are the average of two discount card programs that display prices for 30-day units, as displayed in [Prescription Drug Discount Cards: Current Programs and Issues](#), prepared for the Kaiser Foundation, February 2002.

FEHBP BC/BS figures are for on-formulary brand-name drugs, based on opm.gov/insure/02/html/standard/guides/70-1.pdf.

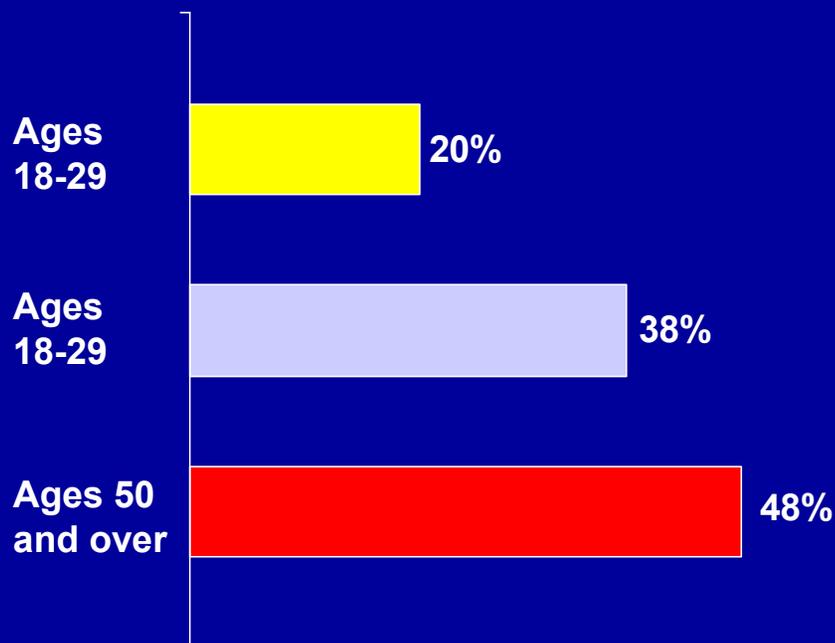
Americans view prescription drug coverage for seniors as important and are following discussions about discount card programs

“How important is making sure seniors receive prescription drug coverage to you personally?”



Percent responding "Very important"

“How closely are you following ongoing discussions about prescription drug discount cards?”



Percent responding "Closely"