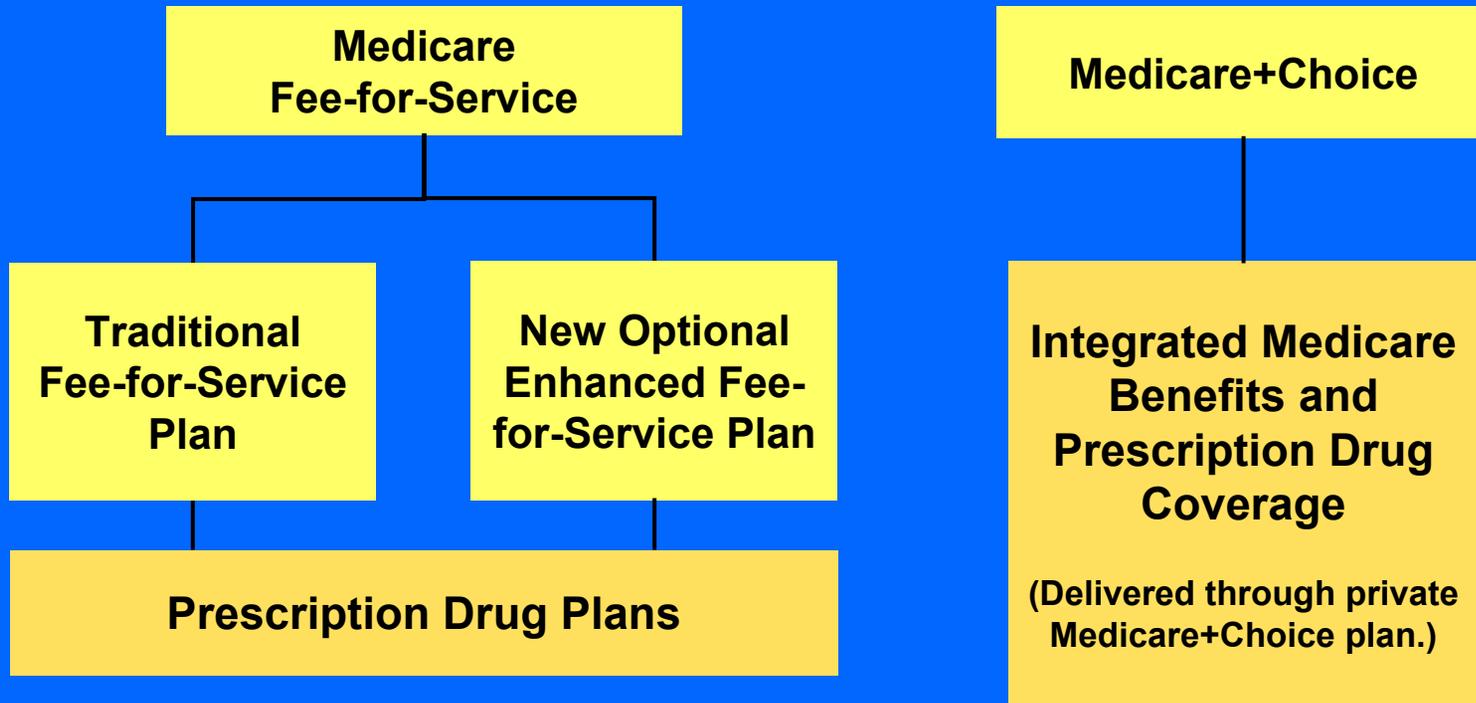


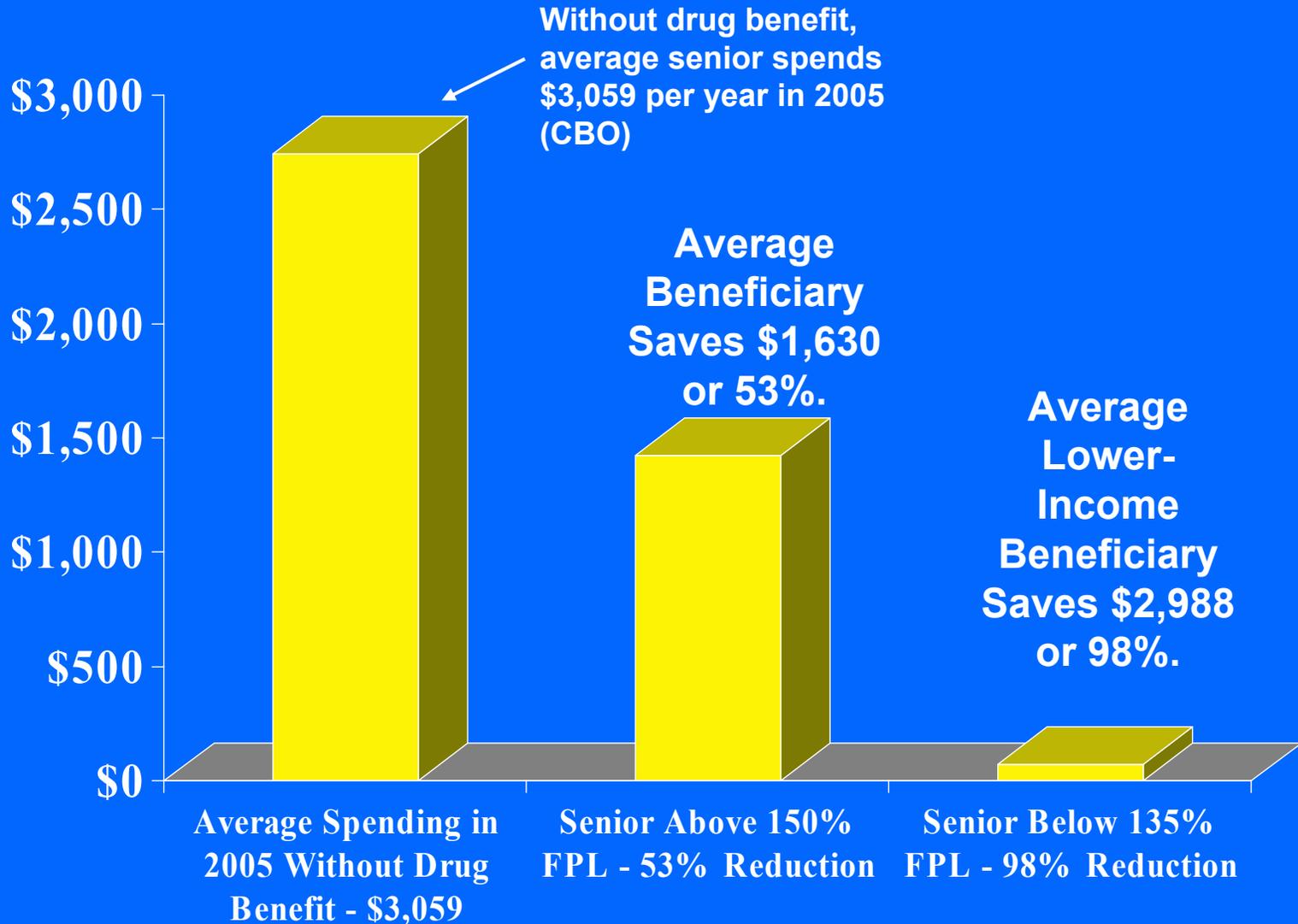
Tripartisan Plan Drug Benefit Options



Tripartisan Proposal Medicare Drug Benefit

- Affordable coverage available to all Medicare beneficiaries.
- Fully funded, permanent part of Medicare—benefit does *not* sunset.
- Comprehensive prescription drug coverage.
- Affordable Monthly Premium: \$24 per month.
- Average Out of Pocket Cost for Covered Top 50 Prescription: \$21
- Lower Income Seniors Pay \$2 for Covered Drugs

Real Savings for Seniors



Tripartisan Proposal Drug Benefit

Enrollees Below 73% FPL (Dual Eligibles):



Enrollees Between 73% and 135% FPL:



Enrollees Between 135% and 150% FPL:



Enrollees Above 150% FPL:



 Covered by Drug Benefit

Percentages are the share of enrollees with spending above the specified level. Source: CBO

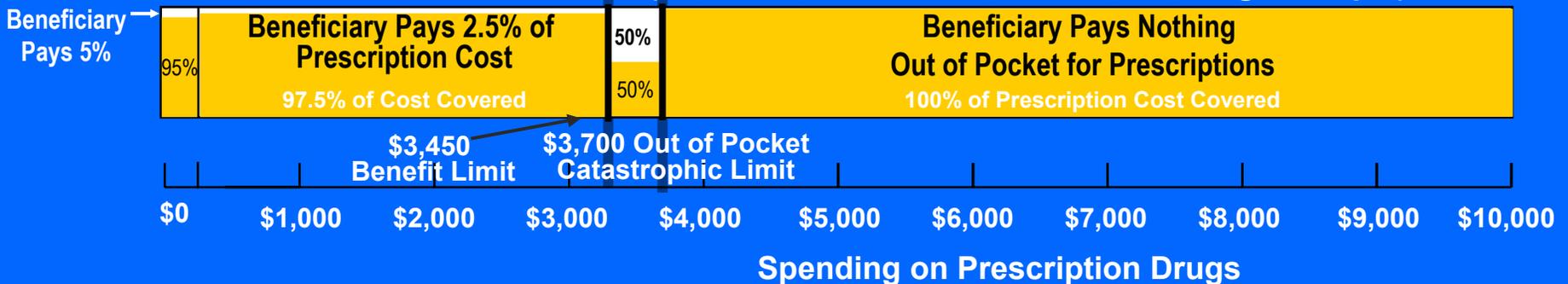
Tripartisan Proposal Drug Benefit - Beneficiaries Below 135% FPL

- 23% of Beneficiaries Have Incomes Below 135% FPL (MCBS Data)
- Beneficiary pays no monthly premium, is exempt from \$250 deductible, and saves 85%-98% off annual drug costs.

Enrollees Below 73% FPL (Dual Eligibles) (Below \$6,468/\$8,716 Single/Couple):

Beneficiary Pays Only Nominal Copays of \$1.00 to \$3.00 for Each Prescription

Enrollees Between 73% and 135% FPL (\$6,468/\$8,716 and \$11,961/\$16,119, Single/Couple):

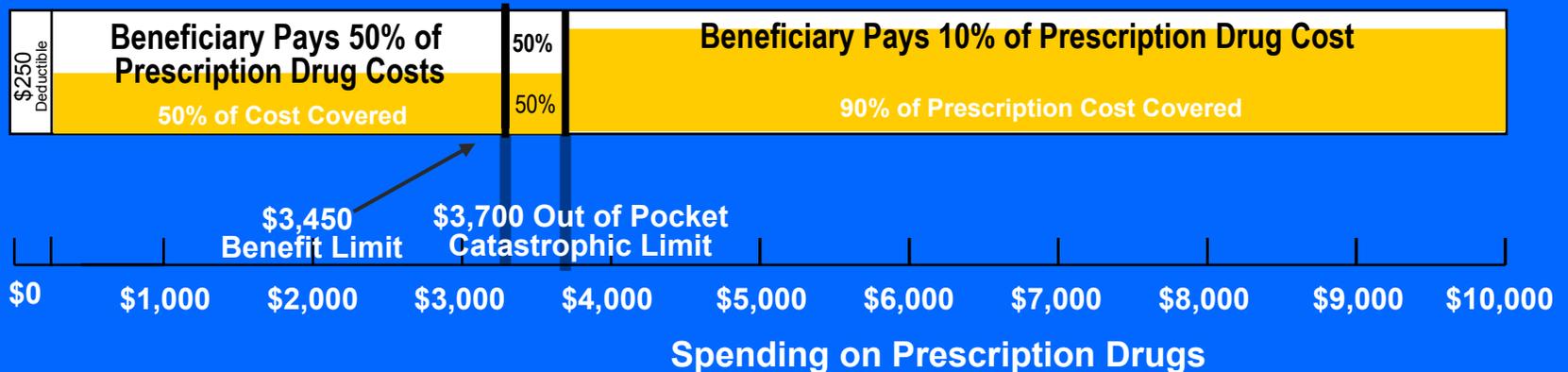


Poverty Levels are as in 2002. Benefit Limit amount is total drug spending.

Tripartisan Proposal Drug Benefit - Seniors Between 135% and 150% FPL

- Beneficiary pays reduced monthly premium ranging from \$0 to \$24 on a sliding scale.
- Enrollees save up to 69% off annual drug costs and are exempt from gap in coverage between benefit limit and catastrophic benefit.
- Enrollee with \$4,000 annual drug bill saves \$2,175 after paying reduced monthly premium.

Enrollees Between 135% and 150% FPL (\$11,961/\$16,119 and \$13,920/\$17,910, Single/Couple) :



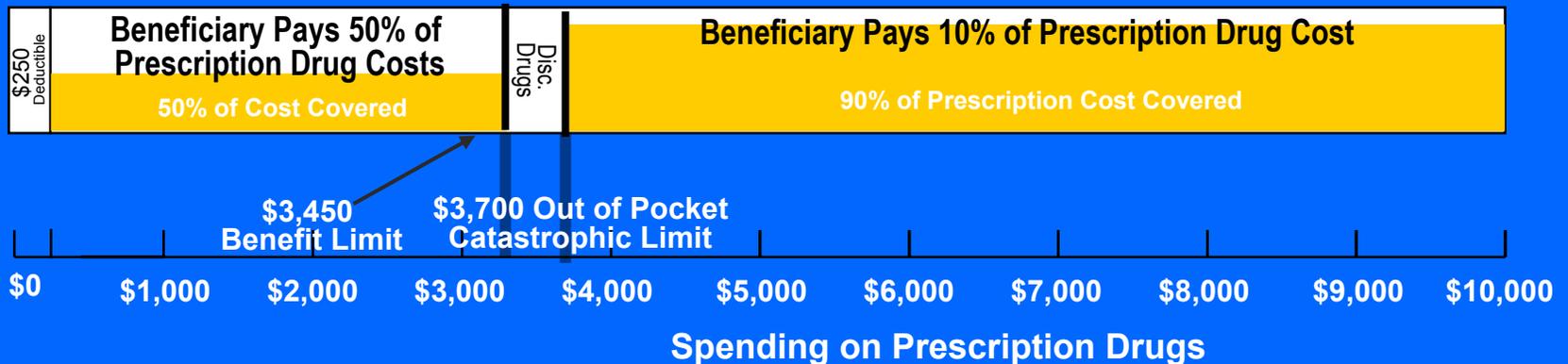
■ Drug Spending Covered by Drug Benefit

Poverty Levels are as in 2002. Benefit Limit amount is total drug spending.

Tripartisan Proposal Drug Benefit - Seniors Above 150% FPL

- Enrollees save up to 60% off annual prescription drug costs after paying an affordable monthly premium of \$24.
- Beneficiaries have access to discounted drug prices between \$3,450 benefit limit and catastrophic benefit, which begins after \$3,700 in out of pocket drug spending.
- Average enrollee with \$3,059 annual drug bill saves \$1,634, or 53%, after paying monthly premium.

Enrollees Above 150% FPL (\$13,920/\$17,910, Single/Couple):



■ Drug Spending Covered by Drug Benefit

Poverty Levels are as in 2002. Benefit Limit amount is total drug spending.

Drug Plan Premium Subsidies

