

Drug Coverage Under the House Plan

Under the House bill, private insurance companies receive government subsidies to offer drug benefits to Medicare recipients.

**Beneficiaries - \$35 monthly premium / \$250 deductible.
- Pay 20 percent up to \$2,000.**

**\$2,000 - \$3,700 seniors pay 100 percent of the costs.
After \$3,700 – Medicare pays 100%.**

Drug Coverage Under the Senate Plan

Like the House bill, private insurance companies receive government subsidies to offer drug benefits to Medicare recipients.

**Beneficiaries - \$35 monthly premium / \$275 deductible.
- Pay 50 percent up to \$4,200.**

After \$3,700 out of pocket – Medicare pays 90%.

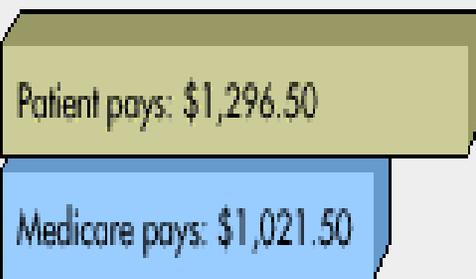
Both the Senate and House have similar proposals for overhauling the Medicare system.

START OVER <<

→ HOW IT ADDS UP FOR THE PATIENT

The average Medicare beneficiary is expected to spend \$2,318 on prescription drugs during 2003. A look at how he or she would fare under the two plans:

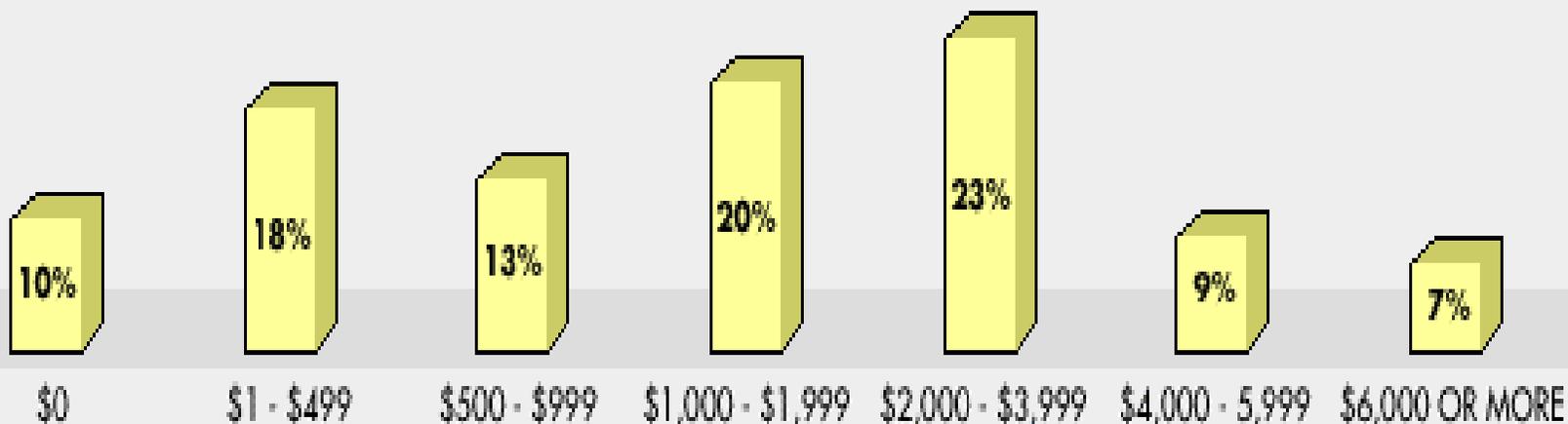
SENATE



HOUSE



→ ESTIMATED DRUG SPENDING BY MEDICARE BENEFICIARIES, 2003



SOURCES: THE HENRY J. KAISER FAMILY FOUNDATION; AP

Rural Hospitals

House Bill:

Standardize base
payment amount

Raise DSH cap to 10%

Establishes Essential
Hospitals

Extends outpatient
Hold harmless

102% CAH payments

Senate Bill:

Standardize base
payment amount

Raise DSH cap to 10%

Low Volume adjuster

Extends outpatient hold
harmless

Four state RCH Demo

Rural Hospitals

House Bill:

CAH PIP payments

CAH Seasonal adjuster

CAH Ambulance rule

Flex reauthorization

Labor share - 62%

Senate Bill:

CAH PIP payments

CAH Bed limit flexibility

CAH Ambulance rule

Flex and SHIP

Labor share - 62%

5% add for outpatient &
ER (<100 beds)

Other Rural Provider Issues

House Bill:

10% home health add

5% ambulance add

**RHC, FQHC SNF PPS
exclusion**

**New Medicare 5%
Incentive Program for
MDs**

Senate Bill:

5% home health add

**Adjustable ambulance
add**

**RHC, FQHC SNF PPS
exclusion**

**Automatic 10%
Incentive for MDs**

Other Rural Provider Issues

House Bill:

Reasonable costs for
sole community
hospital lab payments

MD floor adjuster for
all three components

Senate Bill:

Reasonable costs for
sole community
hospital lab payments

MD floor adjuster for
all three components

RHC upper payment to
\$80

Frontier Extended Stay
Clinic Demo