

Committee on Ways and Means

Medicare Modernization and Prescription Drug Act of 2002

House Legislation Fulfills Key Principles Outlined by House Speaker Dennis Hastert

1) *Lower the Costs of Prescription Drugs Now and in Future*

- Provides immediate relief from high drug costs with Rx Drug Discount Card and immediately implements a program to assist low-income beneficiaries with their costs
- Supplies significant front-end coverage of drug costs from government (80% paid on the first \$1,000)
- Saves seniors more on their drug costs through negotiating power than any other bill in Congress
- Lowers pharmaceutical manufacturer drugs prices by \$18 billion with "Best Price" provision
- Offers catastrophic protection -- 100% covered after \$3,700 in drug costs
- Covers all costs, except nominal co-pays, for low income seniors (up to 175% of poverty)

2) *Guarantee All Senior Citizens Prescription Drug Coverage Under Medicare*

- Guarantees in law at least two choices of Prescription Drug Plans
- CMS Office of the Actuary predicts 95% of seniors will voluntarily participate
- CBO estimates 96% of seniors will be covered by this plan

3) *Improve Medicare with More Choices & More Savings*

- Stabilizes and enhances Medicare+Choice
- Seniors can save money when they choose more efficient plans
- Provides free physical upon enrollment
- Saves nearly \$8 billion for seniors and taxpayers through competitive bidding for durable medical equipment (e.g. wheel chairs, bed pans)

4) *Strengthen Medicare for the Future*

- Helps ensure that doctors will stay in the Medicare program and continue to serve seniors
- Strengthens rural health care for today and tomorrow
- Puts patients before paperwork by eliminating duplicative and burdensome regulation
- Allows competitive forces to hold down costs to ensure Medicare is available for future generations