



## News Release

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### **Medicare Drug Plans Offer Premiums of \$20 Per Month or Less Lower Deductibles, Enhanced Coverage Also Available**

Medicare beneficiaries all over the country will be able to choose prescription drug coverage that will cost less than originally expected, including plans with premiums of \$20 per month or less. Options will also include plans offering zero deductibles or deductibles lower than \$250 annually, and plans that provide some coverage in addition to the "standard" Medicare drug benefit.

"Choice and competition among prescription drug plans is working to reduce premiums across the country making the drug benefit even more affordable for seniors and other Medicare beneficiaries," HHS Secretary Mike Leavitt said. "For just \$20 or \$30 per month, seniors will be able to get a Medicare-approved prescription drug plan that will provide real help and protect their life savings from ever being eroded by high prescription drug costs."

Earlier this month, the Centers for Medicare and Medicaid Services (CMS) estimated that the national average monthly premium for coverage equivalent to the Medicare standard coverage would be \$32.20. The reviews of the drug plans by CMS, which are nearing completion, show that Medicare beneficiaries will be able to choose lower cost options and options with coverage in addition to Medicare's standard plan, including:

- At least one prescription drug plan with premiums below \$20 per month, and in some areas significantly below \$20, in every region of the country except Alaska. All regions have multiple plan options with premiums significantly below \$30.
- In every region, prescription drug plans that will have zero deductibles or deductibles lower than Medicare's standard \$250 annual deductible.
- Some prescription drug plans will offer coverage that exceeds Medicare's standard plan. This includes help for beneficiaries to pay for costs beyond \$2,250 and before their out-of-pocket costs hit \$3,600 a year – the gap in Medicare's standard coverage. For example, some plans will cover generic drugs in the coverage gap.
- In every region, beneficiaries with limited incomes (including those eligible for Medicaid and Medicare) will be able to choose from plans with zero premiums offered by at least five organizations. All of these plans will meet all of Medicare's standards for access to medications.

"The robust response by prescription drug plans is translating into better benefits and lower costs for people with Medicare, however they prefer to get their Medicare coverage," said CMS Administrator Mark B. McClellan, M.D., Ph.D. "All plans, including the lower cost options, must meet Medicare's standards for access to medically necessary drugs

and convenient neighborhood pharmacies."

For the stand-alone prescription drug plans, regional figures and spreadsheets accompany this release and can be found at [www.cms.hhs.gov](http://www.cms.hhs.gov). Between 11 and 23 organizations will offer stand-alone prescription drug plans in each region of the country.

People with Medicare will also have access to lower-cost coverage and additional coverage in Medicare Advantage plans. Many of the Medicare Advantage prescription drug plans will have additional benefits beyond the standard Medicare coverage and have monthly premiums that are significantly less than \$20 and CMS figures show that beneficiaries in Medicare Advantage plans are already saving about \$100 a month on average in out-of-pocket health care costs, compared to traditional Medicare alone or with an individual Medigap plan.

CMS is now completing the review of the stand-alone prescription drug plans and the drug plans to be offered by Medicare Advantage organizations. The final review is evaluating important factors such as whether the plans meet the Medicare law's standards for access to drugs at pharmacies convenient to their homes. Consequently, the plans available may change somewhat between now and the completion of the plan reviews.

"We will not approve any drug plans until we are convinced that they can meet Medicare's standards for serving our beneficiaries, which means some plans may not be approved," Dr. McClellan said. "While it is important for us to complete our review and work with plans to make any refinements, we do not expect these further refinements to substantially affect the major features of the plan choices announced today."

CMS will provide more comprehensive details on the premiums, benefits, and other features of the prescription drug plans and Medicare Advantage plans available in each region as the plan review is completed, ahead of plan marketing in October. All beneficiaries can begin to enroll in the plan of their choice beginning November 15.

CMS will help beneficiaries get the information they need to choose a plan. "This fall, Medicare will work with counselors, advocates, health professionals, and other partners to assist seniors, people with a disability, and their family members in making their choice about these important benefit options," said Dr. McClellan.

CMS will mail the *Medicare & You* handbook to more than 41 million households by mid-October. Around that time, beneficiaries will be able to get personalized information on plans that reflect their own needs and preferences through [www.medicare.gov](http://www.medicare.gov), 1-800-MEDICARE, or CMS partner organizations. Medicare officials are already working with a wide range of groups to help deliver this information, including health professionals, senior advocates and many other partners at the state and local level. Information and assistance will also be available all across the nation through the State Health Insurance Assistance Programs, local Area Agencies on Aging, and many churches, senior centers, pharmacies and other centers where seniors and people with disabilities work, live, play and pray.