Medicare Prescription Drug Bill: Senate vs. House vs. Conference Report (Updated on Friday, November 21)

	Senate-Passed Bill	House-Passed Bill	Conference Report
Begins to Turn Medicare into a Voucher Program	**NO**	**YES** Contained a permanent premium support/voucher proposal beginning in 2010, resulting in higher & varied Part B premiums nationwide.	**YES** Contains premium support/voucher proposal, with HMO overpayments beginning in 2004 and the voucher in 6 areas beginning in 2010, resulting in higher & varied Part B premiums. Up to 7 million seniors will be subject to the program.
$17 Billion Slush Fund for HMOs and Other Private Plans	**NO**	**NO**	**YES** In addition to huge overpayments to plans beginning in 2004, includes a $17 billion slush fund of taxpayer dollars to be used to bribe private plans to participate in Medicare.
Income-Relating Medicare Part B Premium	**NO**	**NO**	**YES** For the first time in history of Medicare, the Part B premium would vary with income – with seniors with incomes over $80,000 paying higher premiums.
Lays Groundwork for A Cap on Medicare Program	**NO**	**NO**	**YES** Requires special consideration of legislation to limit Medicare spending, when general revenue spending in Medicare reaches 45% of total Medicare spending.
Health Savings Accounts	**NO**	**YES** No such provision in H.R.1, but $5.6 billion in health savings accounts rolled into H.R. 1 through a separate bill (H.R. 2596).	**YES** Includes $6.7 billion in health savings accounts, which are tax shelters for the wealthy and undermine existing employer coverage.

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Loss of Employer-Sponsored Retiree Coverage	**YES** According to CBO, 4.3 million of the 12 million seniors with employer-sponsored retiree coverage will lose their coverage.	**YES** According to CBO, 3.8 million of the 12 million seniors with employer-sponsored retiree coverage will lose their coverage.	**YES** According to CBO, 2.7 million of the 12 million seniors with employer-sponsored retiree coverage will lose their coverage.
Effective Provisions for Re-Importation of Drugs	**NO** Permitted re-importation from Canada, but also contained "poison pill" requiring HHS to certify no safety risk exists (which HHS has said it will not do.)	**YES** H.R. 2427, which represented the House's negotiating position, permitted re-importation from 25 countries. It did not require HHS to certify that no safety risk exists.	**NO** Permits re-importation from Canada, but also contains "poison pill" requiring HHS to certify no safety risk exists (which HHS has said it will not do.)
Provisions to Lower Drug Prices	**NO** The Secretary of HHS is prohibited from negotiating lower drug prices. Instead, private insurers negotiate separately on behalf of subsets of the Medicare population, diminishing the program's group negotiating power.	**NO** The Secretary of HHS is prohibited from negotiating lower drug prices. Instead, private insurers negotiate separately on behalf of subsets of the Medicare population, diminishing the program's group negotiating power.	**NO** The Secretary of HHS is prohibited from negotiating lower drug prices. Instead, private insurers negotiate separately on behalf of subsets of the Medicare population, diminishing the program's group negotiating power.
Fallback Prescription Drug Plan	**STRONG FALLBACK** Provided a government fallback drug plan in regions where 2 private drug-only plans fail to emerge.	**NO FALLBACK** Did not include any fallback provisions.	**MUCH-WEAKENED FALLBACK** Significantly weakens Senate fallback provision, with the fallback being triggered much less often and protecting many fewer seniors.
Coverage Gap	**YES - AFFECTING 12% OF BENEFICIARIES** No coverage for drug costs from $4,500 to $5,800.	**YES - AFFECTING ABOUT HALF OF BENEFICIARIES** No coverage for drug costs from $2,000 to $4,900.	**YES - AFFECTING ABOUT HALF OF BENEFICIARIES** No coverage for drug costs from $2,250 to $5,100.

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Guaranteed Minimum Prescription Drug Benefit	**NO** Beneficiaries are forced to use private insurance companies for drug coverage, rather than Medicare. Although the benefit offered by private insurers has to be "actuarially equivalent" to a "benchmark," benefits and premiums will vary widely.	**NO** Beneficiaries are forced to use private insurance companies for drug coverage, rather than Medicare. Although the benefit offered by private insurers has to be "actuarially equivalent" to a "benchmark," benefits and premiums will vary widely.	**NO** Beneficiaries are forced to use private insurance companies for drug coverage, rather than Medicare. Although the benefit offered by private insurers has to be "actuarially equivalent" to a "benchmark," benefits and premiums will vary widely.
Low-Income Benefit	**STRONG LOW-INCOME BENEFIT** Provided significant subsidies for seniors up to 160% of poverty; didn't force low-income seniors to liquidate assets in order to access extra assistance.	**WEAK LOW-INCOME BENEFIT** Provided significant subsidies for seniors up to only 135% of poverty but disqualified many of these by imposing a very restrictive, unfair assets test.	**WEAK LOW-INCOME BENEFIT** Weakened the strong low-income benefit in the Senate bill by instituting a very restrictive, unfair assets test, lowering the income eligibility for subsidies from 160% to 150% of poverty, & increasing cost-sharing.
Ensures Same Benefit and Same Premiums for Rural Beneficiaries	**NO** By creating different regions with different rules, and relying on private insurance plans to offer coverage, the bill does not guarantee the same benefit and premiums to rural beneficiaries.	**NO** By creating different regions with different rules, and relying on private insurance plans to offer coverage, the bill does not guarantee the same benefit and premiums to rural beneficiaries.	**NO** By creating different regions with different rules, and relying on private insurance plans to offer coverage, the bill does not guarantee the same benefit and premiums to rural beneficiaries.