

Senator Murray on the Prescription Drug Law *Seniors Deserve Better*

What “Means-Testing” Means to You

Under the new prescription drug law, the Medicare Part B Premium that you pay will be means-tested. That means seniors will pay more based on their income. That’s a dramatic change.

Today, every senior pays the same amount each month for Medicare Part B. Currently, that amount is \$66.60. It doesn’t matter how often you need to see a doctor or how much income you have, every senior pays the same today.

But under the new law, you’ll pay a different amount based on your income. If you have a higher income, you’ll pay more of the program’s costs. These changes will be phased in over 5 years, starting in 2007.

More About the Change:

Today, the federal government totals up the cost of providing Part B services for the year. Seniors pay 25 percent of that amount, which is deducted from their Social Security checks. The other 75 percent is paid by general government revenues (taxpayers). Under the new drug law, you may still pay 25 percent of the program’s costs – or you could pay up to 80 percent – depending on your income.

This chart shows how much more you’ll have to pay for Medicare Part B premiums under the new law.

If Your Income Is	You Used to Pay	Now You’ll Pay	Additional Cost to You
\$80,000 - \$100,000	25 % of program costs	35 % of program costs	10 % extra
\$100,000 - \$150,000	25 % of program costs	50 % of program costs	25 % extra <u>Double</u> today’s cost
\$150,000 - \$200,000	25 % of program costs	65 % of program costs	40 % extra More than <u>double</u> today’s cost
\$200,000 and over	25 % of program costs	80 % of program costs	55 % extra More than <u>triple</u> today’s cost

Fighting for You

U.S. Senator Patty Murray believes that seniors deserve a better drug benefit. She is leading an effort to fix the new law before it takes effect in 2006. For more information, see: <http://murray.senate.gov/rx>