

Federal costs (\$ billions)

FY	Deductible	Initial coverage limit	Coinsurance rate	Catastrophic out-of-pocket threshold	Catastrophic coinsurance rate	Average monthly premium	Rx card and		Total Medicare	Federal Medicaid	Total		
							General Premium Subsidy	Re-income subsidy					
2004													
2005	\$275	\$3,450	50%	\$3,700	10%	\$31.80	\$17.0	\$8.0	\$9.2	\$3.6	\$3.6	\$5.5	
2006	\$303	\$3,802	50%	\$4,077	10%	\$34.59	\$24.4	\$11.2	\$13.1	\$2.3	\$3.6	\$4.0	
2007	\$333	\$4,174	50%	\$4,477	10%	\$37.48	\$27.0	\$11.8	\$14.4	\$0.0	\$4.8	\$5.8	
2008	\$364	\$4,571	50%	\$4,902	10%	\$40.48	\$29.8	\$12.4	\$15.7	\$0.0	\$5.3	\$6.2	
2009	\$398	\$4,992	50%	\$5,353	10%	\$43.55	\$32.7	\$12.9	\$17.1	\$0.0	\$5.9	\$6.7	
2010	\$434	\$5,451	50%	\$5,846	10%	\$46.82	\$35.9	\$13.5	\$18.5	\$0.0	\$6.2	\$7.2	
2011	\$474	\$5,952	50%	\$6,384	10%	\$51.21	\$40.3	\$14.9	\$20.6	\$0.0	\$7.5	\$8.2	
2012	\$518	\$6,500	50%	\$6,971	10%	\$55.91	\$45.5	\$16.8	\$23.0	\$0.0	\$8.5	\$8.8	
2013													
2004-2013							\$252.5	\$101.5	\$131.5	\$11.4	\$496.9	\$54.6	\$551.5

Notes: Dual-eligible Medicaid beneficiaries will retain their current Medicaid coverage. Medicare will waive the state requirement to pay the Part B premium for beneficiaries between 74% and 100% of the Federal poverty level. Medicaid dual beneficiaries would not enroll in Medicare drug plans.

Low-income persons (non dual-eligible Medicaid) will have the following benefit provisions and premium subsidies in 2006.

	OMB	SLMB / QL1	<135% poverty	135-160% poverty
Deductible	\$0	\$0	\$50	\$50
Coinsurance to initial coverage limit	2.5%	5.0%	10.0%	10.0%
Coinsurance to catastrophic threshold	5.0%	10.0%	20.0%	20.0%
Coinsurance above catastrophic threshold	2.5%	2.5%	10.0%	10.0%
Premium subsidy	100.0%	100.0%	100.0%	Sliding scale

Low-income Medicare beneficiaries (under 135% of poverty) who apply and are determined to be eligible will receive up to \$600 in 2004 and 2005 for the purchase of qualifying outpatient prescription drugs.

States would realize a Medicaid savings of \$4.1 billion for the period 2006-2013.

Office of the Actuary
Centers for Medicare Medicaid Services
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