

Curtailing Catastrophe:

Medicare's Rx for Catastrophic Drug Costs

October 2005

A State-by-State Analysis

Prepared for the Healthcare

Leadership Council by

PricewaterhouseCoopers LLP



CURTAILING CATASTROPHE: MEDICARE'S Rx FOR CATASTROPHIC DRUG COSTS

In September 2005, *Medicare Today* commissioned PricewaterhouseCoopers LLP to develop a comprehensive, state-by-state analysis of the impact of the new Medicare prescription drug benefit on the cost of catastrophic drugs for seniors who enroll in the program, which takes effect on January 1, 2006.

Using federal health data, the researchers found:

Nearly all (98 percent) Medicare beneficiaries could have catastrophic coverage once the new Medicare prescription drug benefit takes effect. Currently, just 52 percent of Medicare beneficiaries have coverage for catastrophic drug costs.

The number of seniors who would be paying more than \$4,000 in annual out-of-pocket drug costs – and who would not have any coverage for these catastrophic costs – would decrease from more than 1.5 million to just 160,000 nationwide in 2006.

More than one million of the U.S. seniors spending \$4,000 or more a year on prescription medications would have 2006 incomes of approximately \$14,500 or less annually. The analysis shows that their prescription drug costs take more than one-fourth (28 percent) of their annual income. The analysis estimates that the number of low-income seniors with catastrophic drug costs would decrease to just 50,000 nationwide if all eligible seniors enrolled in the new Medicare drug benefit.

In all 50 states, about one in three seniors do not have coverage for catastrophic drug costs. In 13 states, however, more than half of seniors find themselves without coverage for catastrophic drug costs – including South Dakota (66 percent), North Dakota (65 percent), Arizona (57 percent), Oregon (57 percent), Pennsylvania (56 percent), Nevada (54 percent), Texas (54 percent), Florida (53 percent), California (52 percent), Rhode Island (52 percent), Colorado (52 percent), Kansas (51 percent) and New York (51 percent).

Seniors who already have catastrophic coverage will still see significant savings. The analysis shows that the average senior would pay more than \$1,300 in annual out-of-pocket charges for his or her prescriptions in 2006 in the absence of the new Medicare benefit. By enrolling in the new Medicare prescription drug program, these costs would be reduced by one-third – to less than \$900 per year.

Medicare Today is a broad-based partnership of more than 350 organizations representing seniors, patients, health care groups, employers, and others. The mission of this nonpartisan partnership is to educate and inform Medicare beneficiaries and the public at large on the new benefits provided through The Medicare Prescription, Drug, Improvement and Modernization Act of 2003 (MMA) and about how millions of seniors will benefit from the new Medicare law. Together, the group is conducting a comprehensive outreach program in all 50 states and the District of Columbia, to reach seniors through a grassroots, person-to-person approach, explaining the Medicare drug benefit and other Medicare features with clarity and objectivity. *Medicare Today* is administered by the Healthcare Leadership Council, located in Washington, DC.

To access *Medicare Today*'s interactive tools or to locate *Medicare Today* activities, visit www.MedicareToday.org or www.HLC.org. For more information about the research, contact: Mike Freeman at the Healthcare Leadership Council (202-452-8700).

The Alliance to Improve Medicare (AIM) and the *Medicare Today* partnership requested PricewaterhouseCoopers to expand its October 2004 report, "Impact of the Medicare Prescription Drug Benefit on Catastrophic Spending by Beneficiaries," to include state-specific estimates.

Impact of the Medicare Prescription Drug Coverage on Medicare Beneficiaries: U.S. National Summary

On December 8, 2003, the President signed the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), which added a prescription drug benefit as part of the Medicare program. The MMA significantly reduces the risk of catastrophic out-of-pocket drug expenses. Medicare beneficiaries in standard plans will pay only five percent of prescription drug costs after spending \$3,600 out of pocket. Medicare beneficiaries whose incomes are below 150 percent of the federal poverty level will have additional subsidies that pay most of the out-of-pocket expenses. Specifically, PricewaterhouseCoopers found:

- About 48 percent of Medicare beneficiaries would have been without catastrophic coverage for prescription drugs in 2006 in the absence of the MMA. In addition to the estimated 30 percent of Medicare beneficiaries with no drug coverage, another 18 percent would have had insurance coverage that did not provide catastrophic coverage.
- The impact of the MMA will be most dramatic for Medicare beneficiaries with high out-of-pocket expenses who do not currently have prescription drug coverage. For example, a beneficiary with prescription drug spending of \$10,000 and no coverage in the absence of the MMA would see out-of-pocket expenses fall by 62 percent, to \$3,845, under the MMA.
- Overall, the MMA reduces out-of-pocket spending by about half, from \$1,321 to \$884. Of beneficiaries without catastrophic coverage before the MMA, 1.5 million beneficiaries would have spending at or above \$4,000 in the absence of the MMA, and only about 160,000 would under the MMA.
- The MMA reduces catastrophic expenses most dramatically for low-income beneficiaries. For example, those low-income beneficiaries without catastrophic coverage would have spent \$1,837 in out-of-pocket spending in the absence of the MMA compared to \$158 after the start of the Part D program.

How to Read the State Tables

Please refer to the following National table.

The left-hand side of each state table contains information on the number of Medicare beneficiaries with catastrophic coverage Pre- and Post-MMA.

- The top section of the upper table, titled “All Beneficiaries,” includes all beneficiaries who will participate in the MMA, namely those enrolled in Part B. In 2006, there will be approximately 39.9 million beneficiaries in Part B. In the absence of the MMA, about 20.8 million (52 percent) would have catastrophic coverage. Their average out-of-pocket (OOP) spending is about \$1,321.¹ After the start of the Part D Program, almost all Medicare beneficiaries (about 98 percent) will have catastrophic coverage and their average out-of-pocket costs will be lowered to about \$884.
- The lower section of the “All Beneficiaries” table includes information for individuals who are low income, i.e. beneficiaries who meet the asset test and their income level are at or below 150 percent of the federal poverty level. There are about 15 million beneficiaries in this group and approximately 52 percent have catastrophic coverage prior to the MMA. Their OOP spending is about \$1,085. After the start of the MMA, almost all will have catastrophic coverage (about 98 percent) and their out-of-pocket spending will have decreased to \$536 per person in 2006.
- The lower table, titled “Beneficiaries Without Catastrophic Coverage,” contains similar information as the “All Beneficiaries” table, however it focuses on beneficiaries without catastrophic coverage. Approximately 19.1 million (48 percent) beneficiaries in the absence of the Part D program do not have catastrophic coverage. Their out-of-pocket spending is about \$1,836. After the start of the MMA, almost all will have catastrophic coverage (about 95 percent) and their OOP spending will have decreased to \$762 per person. For low-income beneficiaries without catastrophic coverage, the difference in their out-of-pocket spending is much greater pre- and post-MMA, \$1,837 versus \$158, respectively.

The upper right hand side of each state table contains a chart that compares the number of beneficiaries in different income and catastrophic coverage categories with out-of-pocket spending greater than \$4,000 pre-MMA and post-MMA.

¹ Out-of-pocket spending refers to what the beneficiary spends; this spending does not include the cost of premiums many beneficiaries pay under current insurance plans nor does it include the premiums that most beneficiaries pay under Medicare Part D.

- For example, there would have been about 1.5 million beneficiaries (all income levels) without catastrophic coverage pre-MMA who have OOP spending over \$4,000 compared to about 160,000 beneficiaries post-MMA.

The lower part of the right hand side contains demographic information on the Medicare population with and without catastrophic coverage. The estimates were based on the March 2004 Current Population Survey. For example, 41 percent of beneficiaries without catastrophic coverage are male and 59 percent are female in the US.

NATIONAL

46 Percent More Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	39,860,000	39,860,000
With Catastrophic Coverage	20,810,000	38,930,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,321	\$884
Low-Income⁴	15,000,000	15,000,000
With Catastrophic Coverage	7,860,000	14,640,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,085	\$536

Beneficiaries Without Catastrophic Coverage

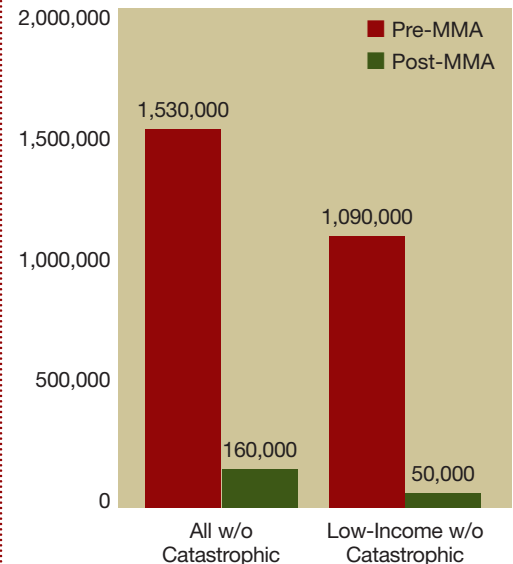
	Pre-MMA	Post-MMA
All Medicare²	19,050,000	19,050,000
With Catastrophic Coverage	0	18,120,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,836	\$762
Low-Income⁴	7,140,000	7,140,000
With Catastrophic Coverage	0	6,790,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,837	\$158

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



National Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	48%
Female	59%	52%
Age		
< 65	13%	19%
65+	87%	81%
Income Level		
Under 100% FPL	13%	12%
100%–150% FPL	19%	11%
Over 150% FPL	68%	76%
Race		
White	87%	85%
Black	10%	11%
American Indian/Alaskan	1%	0%
Asian/Pacific Islander	2%	3%
Hispanic (of any race)	6%	6%

The following is a description of the methodology we used to provide prescription drug coverage and demographics for each state, focusing on catastrophic spending. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.

Data Sources for Medicare Beneficiaries by Income, Insurance Coverage, and State of Residence in 2006

We based our state estimates of current prescription drug coverage on the March 2004 Current Population Survey (CPS) that reports on supplemental health insurance coverage by state and by poverty level for the year 2003.² We then converted supplemental health insurance coverage to prescription drug coverage by multiplying each type of supplemental insurance by the average percent of plans that have prescription drug coverage. These percentages were based on the Medicare Current Beneficiary Survey (MCBS).³ Catastrophic coverage was determined based on the type of prescription drug coverage insurance.

Number of Medicare Beneficiaries by State

The total Medicare population in Part B by state is based on enrollment reported by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid (CMS).⁴ The CMS-reported number of Medicare enrollees by state was used to adjust the raw data from the CPS, as described below. For example, if the CPS showed that a state had 100,000 Medicare beneficiaries while CMS enrollment was 105,000, then each count in the CPS for that state would be increased by five percent. In this same example, if the number of low-income, uninsured Medicare beneficiaries in the CPS was estimated to be 10,000, that estimate would be increased to 10,500, a five-percent increase.

Demographics of Medicare Beneficiaries With and Without Catastrophic Coverage

Demographics of the Medicare population were also based on the March 2004 CPS. This survey provides state-level information on a variety of demographic and economic characteristics by type of supplemental coverage. Although the CPS has a reasonable sample of Medicare beneficiaries in every state, estimates for some subcategories are subject to

² U.S. Census Bureau (2004). Current Population Survey. March 2004.

³ Adapted from Poisal, JA and Murray, L (2001). "Growing Differences Between Medicare Beneficiaries With and Without Drug Coverage." Health Affairs. 20(2): 74-85. March/April 2001.

⁴ Centers for Medicare & Medicaid Services (2003). "Medicare Enrollment - All Beneficiaries as of July 2003." website: <http://www.cms.hhs.gov/statistics/enrollment/st03all.asp>. Accessed: July 25, 2003.

significant sampling error. For example, although there are 235 observations from Alaska, and about 17 of which are beneficiaries who do not have catastrophic coverage, no respondents were Hispanic and only a few were African-Americans. For that reason, the cells of less than four percent are reported as asterisks (“*”) in the state-specific tables.

Estimates of Prescription Drug Coverage by State

Prescription drug coverage is estimated by the type of supplemental insurance held by Medicare beneficiaries in the CPS sample. Prescription drug coverage in the absence of Medicare Part D (pre-MMA) was estimated as follows:

- Medicare beneficiaries with no supplemental coverage were assumed to have no drug coverage.
- Other Medicare beneficiaries who had supplemental coverage were assigned drug coverage based on data from the MCBS. For example, most Medicare beneficiaries with Medicare Advantage coverage have prescription drug coverage but the majority of beneficiaries with Medigap coverage do not. Specifically, we assumed that 90 percent of Medicare Advantage (MA) enrollees but only 35 percent of Medigap purchasers had prescription drug coverage.
- Catastrophic drug coverage was defined as beneficiaries with insurance coverage from their employers, Medicaid and other federal government programs. Beneficiaries without catastrophic drug coverage are individuals with Medicare Advantage and Medigap and those without any prescription drug coverage.

Prescription drug coverage under Medicare Part D (post-MMA) was estimated as follows:

- Medicare beneficiaries who are enrolled in Medicare Part B and who do not have supplemental insurance coverage from former employers or the federal government, such as CHAMPUS, Department of Defense, and Veterans Administration, are assumed to enroll in the new Medicare Part D.
- Enrollees who are covered by federal government plans, such as CHAMPUS, Department of Defense, and Veterans Administration, are assumed to be excluded from the new Medicare Part D and continue to receive their coverage from those plans.
- Medicare beneficiaries with coverage from former employers are split into three groups—those whose employers continue to offer coverage and receive a 28 percent subsidy from the federal government, those whose employers drop coverage altogether, and those whose employers encourage them to enroll in a Medicare Part D private prescription drug plan and provide supplementation. The Congressional

Budget Office (CBO) estimated that only about 23 percent of employers would drop current coverage and provide no supplementation to the Medicare Part D plan.

- Low-income Medicare beneficiaries are eligible for additional assistance in the form of low-income subsidies that reduce cost sharing and premiums. We estimate that about 87 percent of low-income Medicare beneficiaries also meet asset tests and are eligible for the low-income subsidies.

Prescription Drug Spending and Cost Sharing by Medicare Beneficiaries

Estimates of prescription drug spending and cost sharing, in the absence of Medicare Part D (pre-MMA), were based on the MCBS as well as CBO's estimate of average drug spending in 2006.⁵ In order to adjust the amounts by state, PricewaterhouseCoopers applied the state's ratio to the national total for prescription drug expenditures per capita for this particular population (we calculated the ratio based on CMS Final Drug Plan Bidder Data Sets).⁶

Prescription drug spending, cost sharing, and premiums under the new Medicare Part D coverage were based on the following assumptions:

- The standard Medicare Part D benefit pays for roughly 53 percent of prescription drug costs.
- The beneficiary also pays a premium equal to 25.5 percent of the average cost for the Medicare Part D prescription drug plan.
- Medicare beneficiaries who have better coverage under Medicare Part D than under their pre-MMA plan will use more drugs and our estimate was based on an elasticity of minus 0.3, which is consistent with CBO's assumptions about additional prescription drug use under Medicare Part D.
- Prescription drug prices, net of discounts, are lower under the MMA and this is reflected by the average spending per capita declining under the MMA despite higher drug use by some Medicare beneficiaries.

The estimates also reflect special treatment for low-income Medicare beneficiaries. Medicare low-income beneficiaries, based on income and assets, may qualify for either Subsidy A or

⁵ Congressional Budget Office (2004). "A Detailed Description of CBO's Cost Estimate for the Medicare Prescription Drug Benefit." U.S. Government Printing Office. July 2004.

⁶ Published as part of the "Drug Plan Bidder Data Sets (Final)." This file was a subset of the Medicare 5% file with drug coverage imputed from the Medicare Current Beneficiary Survey. Website: <http://www.cms.hhs.gov/pdps/BidInst.asp>. Accessed: October 8, 2005.

Subsidy B. PricewaterhouseCoopers based its estimate of out-of-pocket spending, by low-income spending post-MMA, on a “blended copayment” (40 percent generic scripts, 60 percent brand) of \$3.80 under Subsidy A⁷, and copayments based on a \$50 deductible and 15 percent coinsurance for those under Subsidy B. The average subsidy across both groups was based on the assumption that those under Subsidy B are 24 percent of total non-dual low-income eligibles. In order to adjust the amounts by state, PricewaterhouseCoopers applied the same ratio from CMS that was used to adjust the pre-MMA out-of-pocket spending.

PricewaterhouseCoopers reduced out-of-pocket spending estimates for low-income Medicare beneficiaries by the estimated low-income subsidies. The actual out-of-pocket spending would be higher to the extent that low-income beneficiaries do not sign-up for the low-income subsidies. CBO assumed that only about 40 percent of Medicare beneficiaries, who do not have Medicaid, would eventually participate in the low-income subsidy program. CMS assumed that a majority would do so.⁸

The number of individuals with out-of-pocket expenses greater than \$4,000, Pre- and Post-MMA, was based on data from the 2000 Medical Expenditure Panel Survey for 2000. Pre-MMA out-of-pocket expenses were simulated by adjusting the 2000 data to reflect the 2006 per capita prescription drug spending. Post-MMA was estimated based on 2006 prescription drug spending pre-MMA adjusted to reflect changes in prescription drug insurance coverage, discounts, and changes in utilization. Post-MMA out-of-pocket spending reflects the standard benefit for those who enroll in Part D and the low-income subsidies for those who enroll and are eligible for the low-income subsidy.

Adjustments and Improvements to Raw Data

The raw data from CPS and other sources were adjusted to account for a number of weaknesses in the raw data:

⁷ Beneficiaries who also have Medicaid coverage have a blended copayment of \$2.20.

⁸ Although our estimates are based on 100 percent participation, the difference in out-of-pocket spending in the case where only 40 percent participate and the case where 70 percent and 100 percent do so is not large if the nonparticipants are those who have low prescription drug spending. For example, if the 60 percent of Medicare beneficiaries with the lowest spending do not participate in the low-income subsidy, they account for only 3.5 percent of spending and a large percentage of subsidies would continue to be paid out despite the low participation rate. CBO (2004). “Letter to Honorable Jim Nussle Comparing CBO and Administration Estimates of the Effect of H.R. 1 on Direct Spending.” U.S. Government Printing Office. February 2004.

1. The state Medicaid estimates from the CPS were replaced by the ratios of the state Medicaid full-dual beneficiaries to the US.⁹
2. CPS has information on private individual coverage, which includes both Medigap and Medicare Advantage (Medicare risk plans such as HMOs). PricewaterhouseCoopers separated this coverage into Medigap and Medicare Advantage, based on official CMS estimates of Medicare Advantage enrollment by state.¹⁰
3. CPS estimates are less reliable for smaller states, especially for subpopulations. Low-income Medicare beneficiaries are usually around five percent of each state's population. For smaller states, the CPS estimates of the number of low-income Medicare beneficiaries who do not have drug insurance would be subject to a high degree of uncertainty. In the case of the 15 states with the lowest number of Medicare beneficiaries, the low-income uninsured from CPS (i.e., those who do not have prescription drug coverage) was replaced by recent estimates from CMS based on a number of sources.¹¹
4. The raw data, such as the March 2004 CPS, do not fully reflect 2006, the year in which Medicare beneficiaries enroll in Part D. All of the raw data have to be adjusted to reflect higher Medicare enrollment and higher prescription drug prices in 2006 as compared to 2002 and other years.
5. The sum of various components of state estimates does not usually sum to known totals (or official estimates from CBO or CMS). In most cases, the raw data were adjusted to yield sums that matched these known benchmarks.¹²

The adjustments described above produce a set of state estimates that sum to national totals consistent with the assumptions behind CBO's estimates of the federal budgetary costs of the Medicare Part D prescription drug coverage.

⁹ Kaiser Family Foundation, Statehealthfacts.org (2003). "Dual Eligibles Enrollment, 2003." website: http://statehealthfacts.org/cgi-bin/healthfacts.cgi?action=compare&category=Medicare&subcategory=Dual+Eligibles&topic=Dual+Eligibles+Enrollment&link_category=&link_subcategory=&link_topic=&viewas=&showregions=0&sortby=&printerfriendly=0&datatype=number. Accessed: July 28, 2005.

¹⁰ CMS (2005). "Medicare Advantage Payment Rates Information." website: <http://www.cms.hhs.gov/healthplans/rates/default.asp>. Accessed: July 22, 2005.

¹¹ Calculated from CMS "Drug Plan Bidder Data Sets (Final)."

¹² Congressional Budget Office (2004). "A Detailed Description of CBO's Cost Estimate for the Medicare Prescription Drug Benefit." U.S. Government Printing Office. July 2004.

Conclusion

The MMA addresses current market conditions that discourage catastrophic insurance coverage and will provide catastrophic prescription drug coverage to the 48 percent of Medicare beneficiaries who currently lack such coverage. Under the new benefit, once enrollees have reached the catastrophic level of spending, they will face nominal cost-sharing, and the risk of incurring extremely large out-of-pocket expenses will be virtually eliminated. Medicare beneficiaries whose incomes are below 150 percent will be eligible for additional subsidies that will leave very little cost sharing. Overall, the MMA will significantly reduce the risk of catastrophic out-of-pocket expenses in all 50 states and the District of Columbia.

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PRICEWATERHOUSECOOPERS 

State-by-State Analysis

NATIONAL

46 Percent More Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	39,860,000	39,860,000
With Catastrophic Coverage	20,810,000	38,930,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,321	\$884
Low-Income⁴	15,000,000	15,000,000
With Catastrophic Coverage	7,860,000	14,640,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,085	\$536

Beneficiaries Without Catastrophic Coverage

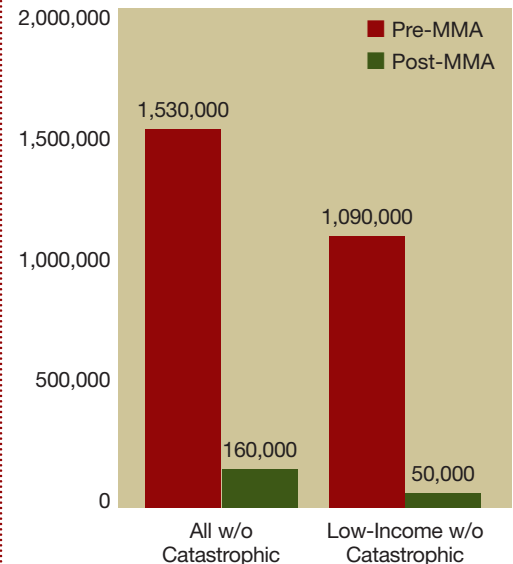
	Pre-MMA	Post-MMA
All Medicare²	19,050,000	19,050,000
With Catastrophic Coverage	0	18,120,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,836	\$762
Low-Income⁴	7,140,000	7,140,000
With Catastrophic Coverage	0	6,790,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,837	\$158

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



National Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	48%
Female	59%	52%
Age		
< 65	13%	19%
65+	87%	81%
Income Level		
Under 100% FPL	13%	12%
100%–150% FPL	19%	11%
Over 150% FPL	68%	76%
Race		
White	87%	85%
Black	10%	11%
American Indian/Alaskan	1%	0%
Asian/Pacific Islander	2%	3%
Hispanic (of any race)	6%	6%

ALABAMA

45 Percent More Alabama Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	716,000	716,000
With Catastrophic Coverage	373,000	697,000
Percent With Coverage	52%	97%
Out-of-Pocket ³	\$1,471	\$961
Low-Income⁴	280,000	280,000
With Catastrophic Coverage	159,000	272,000
Percent With Coverage	57%	97%
Out-of-Pocket ³	\$1,208	\$583

Beneficiaries Without Catastrophic Coverage

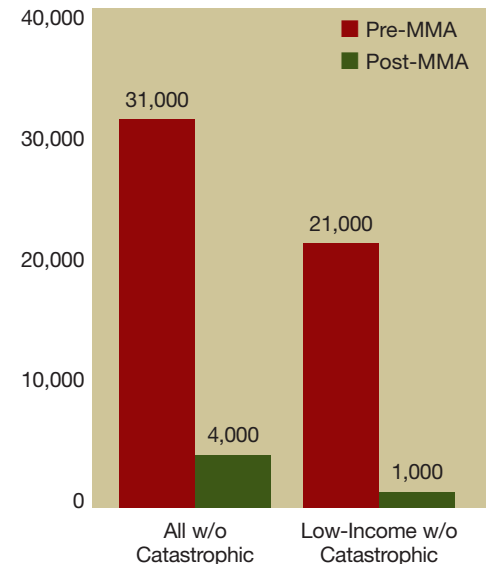
	Pre-MMA	Post-MMA
All Medicare²	343,000	343,000
With Catastrophic Coverage	0	324,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,045	\$825
Low-Income⁴	121,000	121,000
With Catastrophic Coverage	0	113,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,046	\$169

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	46%
Female	59%	54%
Age		
< 65	22%	24%
65+	78%	76%
Income Level		
Under 100% FPL	15%	10%
100%–150% FPL	21%	14%
Over 150% FPL	64%	76%
Race		
White	80%	70%
Black	20%	30%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

ALASKA

35 Percent More Alaska Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	46,000	46,000
With Catastrophic Coverage	29,000	45,000
Percent With Coverage	63%	98%
Out-of-Pocket ³	\$1,090	\$740
Low-Income⁴	17,000	17,000
With Catastrophic Coverage	11,000	17,000
Percent With Coverage	65%	99%
Out-of-Pocket ³	\$896	\$451

Beneficiaries Without Catastrophic Coverage

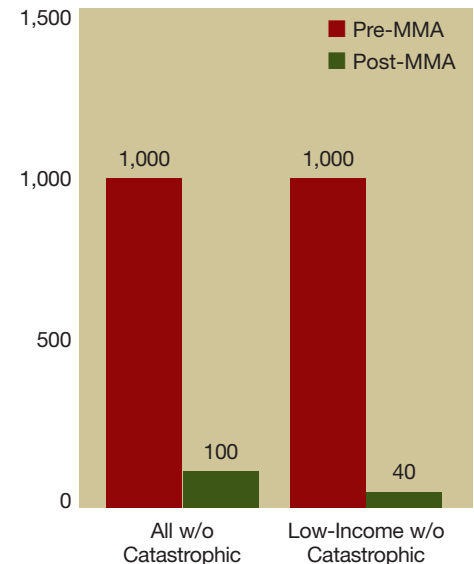
	Pre-MMA	Post-MMA
All Medicare²	17,000	17,000
With Catastrophic Coverage	0	16,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,515	\$638
Low-Income⁴	6,000	6,000
With Catastrophic Coverage	0	5,500
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,516	\$136

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	44%	49%
Female	56%	51%
Age		
< 65	12%	26%
65+	88%	74%
Income Level		
Under 100% FPL	19%	10%
100%–150% FPL	17%	13%
Over 150% FPL	64%	77%
Race		
White	76%	77%
Black	*	*
American Indian/Alaskan	17%	14%
Asian/Pacific Islander	6%	7%
Hispanic (of any race)	*	*

*Less than 4 percent

ARIZONA

55 Percent More Arizona Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	731,000	731,000
With Catastrophic Coverage	315,000	713,000
Percent With Coverage	43%	98%
Out-of-Pocket ³	\$1,205	\$816
Low-Income⁴	253,000	253,000
With Catastrophic Coverage	120,000	246,000
Percent With Coverage	47%	97%
Out-of-Pocket ³	\$990	\$496

Beneficiaries Without Catastrophic Coverage

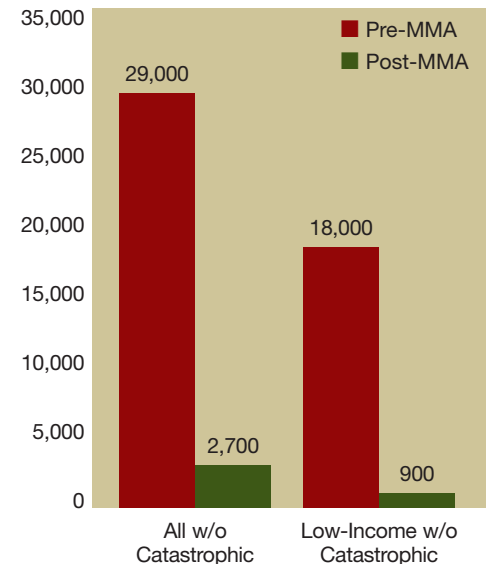
	Pre-MMA	Post-MMA
All Medicare²	416,000	416,000
With Catastrophic Coverage	0	398,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,676	\$705
Low-Income⁴	133,000	133,000
With Catastrophic Coverage	0	126,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,676	\$148

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	48%	50%
Female	52%	50%
Age		
< 65	13%	18%
65+	87%	82%
Income Level		
Under 100% FPL	10%	3%
100%–150% FPL	21%	13%
Over 150% FPL	69%	85%
Race		
White	95%	95%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	11%	8%

*Less than 4 percent

ARKANSAS

42 Percent More Arkansas Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	451,000	451,000
With Catastrophic Coverage	249,000	439,000
Percent With Coverage	55%	97%
Out-of-Pocket ³	\$1,324	\$893
Low-Income⁴	213,000	213,000
With Catastrophic Coverage	131,000	207,000
Percent With Coverage	62%	97%
Out-of-Pocket ³	\$1,088	\$541

Beneficiaries Without Catastrophic Coverage

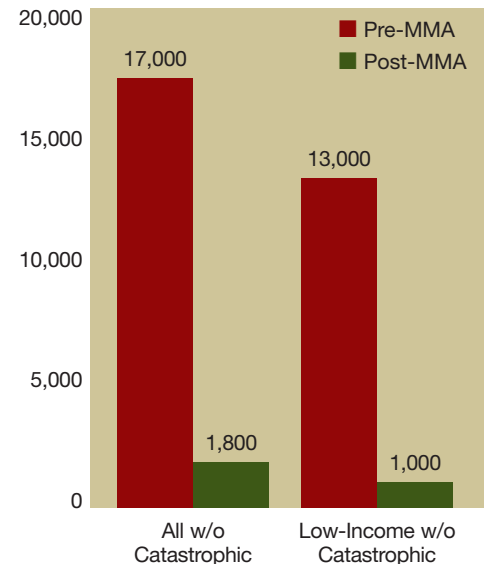
	Pre-MMA	Post-MMA
All Medicare²	202,000	202,000
With Catastrophic Coverage	0	190,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,841	\$769
Low-Income⁴	82,000	82,000
With Catastrophic Coverage	0	76,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,842	\$159

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	49%
Female	60%	51%
Age		
< 65	13%	31%
65+	87%	69%
Income Level		
Under 100% FPL	18%	21%
100%–150% FPL	22%	12%
Over 150% FPL	60%	67%
Race		
White	92%	82%
Black	7%	18%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

CALIFORNIA

50 Percent More California Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	4,120,000	4,120,000
With Catastrophic Coverage	1,990,000	4,030,000
Percent With Coverage	48%	98%
Out-of-Pocket ³	\$1,185	\$773
Low-Income⁴	1,550,000	1,550,000
With Catastrophic Coverage	750,000	1,520,000
Percent With Coverage	48%	98%
Out-of-Pocket ³	\$974	\$470

Beneficiaries Without Catastrophic Coverage

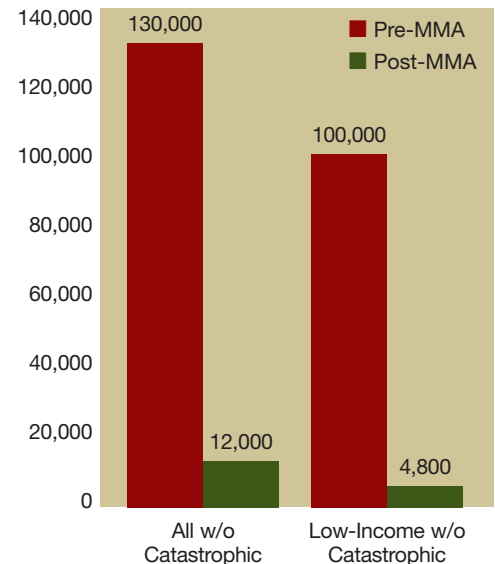
	Pre-MMA	Post-MMA
All Medicare²	2,130,000	2,130,000
With Catastrophic Coverage	0	2,040,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,647	\$668
Low-Income⁴	800,000	800,000
With Catastrophic Coverage	0	760,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,648	\$141

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	48%
Female	60%	52%
Age		
< 65	13%	16%
65+	87%	84%
Income Level		
Under 100% FPL	10%	9%
100%–150% FPL	18%	18%
Over 150% FPL	73%	73%
Race		
White	82%	80%
Black	6%	7%
American Indian/Alaskan	*	*
Asian/Pacific Islander	12%	13%
Hispanic (of any race)	14%	14%

*Less than 4 percent

COLO RADO

50 Percent More Colorado Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	489,000	489,000
With Catastrophic Coverage	234,000	479,000
Percent With Coverage	48%	98%
Out-of-Pocket ³	\$1,179	\$793
Low-Income⁴	188,000	188,000
With Catastrophic Coverage	99,000	185,000
Percent With Coverage	53%	98%
Out-of-Pocket ³	\$969	\$482

Beneficiaries Without Catastrophic Coverage

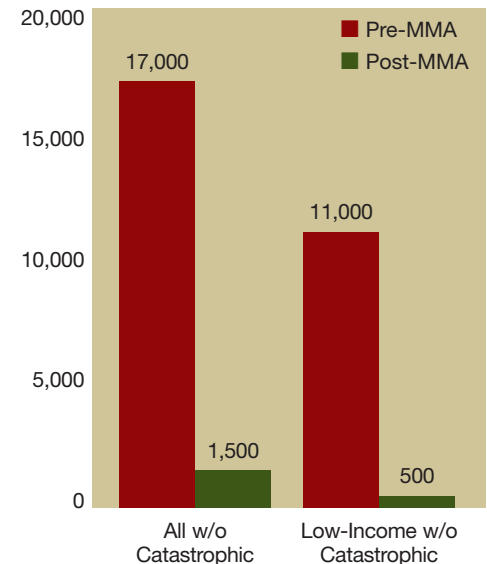
	Pre-MMA	Post-MMA
All Medicare²	255,000	255,000
With Catastrophic Coverage	0	245,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,640	\$686
Low-Income⁴	89,000	89,000
With Catastrophic Coverage	0	85,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,640	\$144

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	43%
Female	57%	57%
Age		
< 65	11%	17%
65+	89%	83%
Income Level		
Under 100% FPL	12%	12%
100%–150% FPL	18%	11%
Over 150% FPL	71%	77%
Race		
White	98%	92%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	11%	10%

*Less than 4 percent

CONNECTICUT

40 Percent More Connecticut Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	511,000	511,000
With Catastrophic Coverage	295,000	499,000
Percent With Coverage	58%	98%
Out-of-Pocket ³	\$1,200	\$844
Low-Income⁴	152,000	152,000
With Catastrophic Coverage	94,000	148,000
Percent With Coverage	62%	97%
Out-of-Pocket ³	\$986	\$512

Beneficiaries Without Catastrophic Coverage

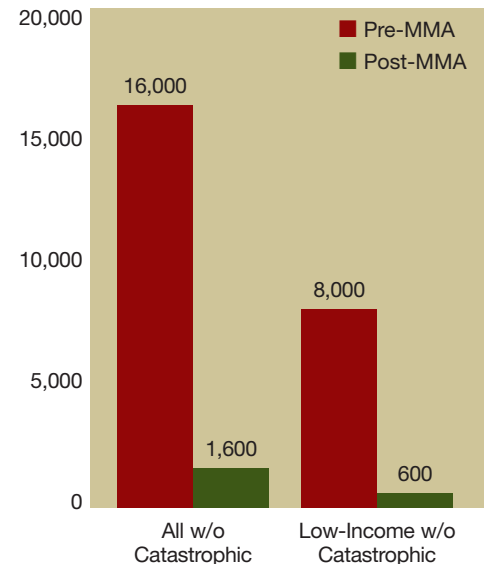
	Pre-MMA	Post-MMA
All Medicare²	216,000	216,000
With Catastrophic Coverage	0	204,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,669	\$729
Low-Income⁴	58,000	58,000
With Catastrophic Coverage	0	54,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,669	\$152

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	45%
Female	58%	55%
Age		
< 65	15%	18%
65+	85%	82%
Income Level		
Under 100% FPL	13%	9%
100%–150% FPL	16%	12%
Over 150% FPL	71%	80%
Race		
White	89%	93%
Black	10%	6%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	8%	5%

*Less than 4 percent

DELAWARE

34 Percent More Delaware Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	117,000	117,000
With Catastrophic Coverage	75,000	115,000
Percent With Coverage	64%	98%
Out-of-Pocket ³	\$1,468	\$977
Low-Income⁴	31,000	31,000
With Catastrophic Coverage	21,000	31,000
Percent With Coverage	68%	99%
Out-of-Pocket ³	\$1,206	\$592

Beneficiaries Without Catastrophic Coverage

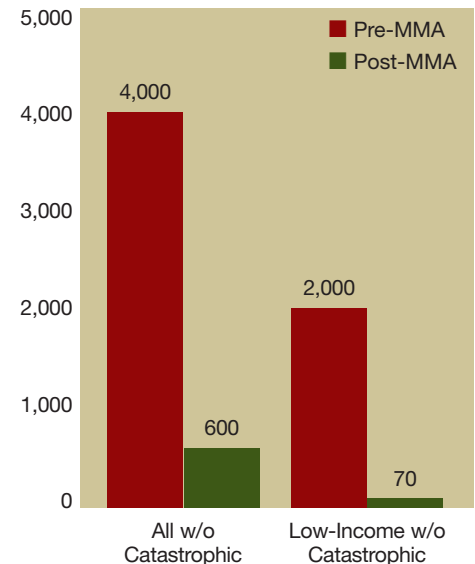
	Pre-MMA	Post-MMA
All Medicare²	42,000	42,000
With Catastrophic Coverage	0	39,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,040	\$838
Low-Income⁴	10,000	10,000
With Catastrophic Coverage	0	9,700
Percent With Coverage	0	96%
Out-of-Pocket ³	\$2,041	\$171

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	50%
Female	57%	50%
Age		
< 65	22%	12%
65+	78%	88%
Income Level		
Under 100% FPL	9%	5%
100%–150% FPL	16%	10%
Over 150% FPL	75%	85%
Race		
White	82%	87%
Black	18%	12%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

DISTRICT OF COLUMBIA

29 Percent More District of Columbia Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	68,000	68,000
With Catastrophic Coverage	46,000	66,000
Percent With Coverage	68%	97%
Out-of-Pocket ³	\$1,351	\$911
Low-Income⁴	32,000	32,000
With Catastrophic Coverage	22,000	31,000
Percent With Coverage	69%	97%
Out-of-Pocket ³	\$1,110	\$552

Beneficiaries Without Catastrophic Coverage

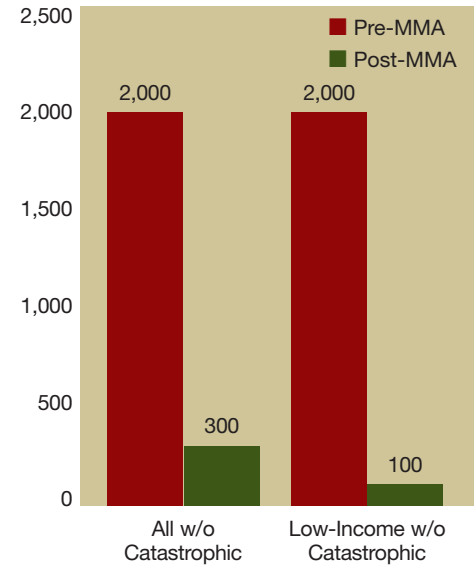
	Pre-MMA	Post-MMA
All Medicare²	22,000	22,000
With Catastrophic Coverage	0	20,000
Percent With Coverage	0	91%
Out-of-Pocket ³	\$1,878	\$784
Low-Income⁴	10,000	10,000
With Catastrophic Coverage	0	8,700
Percent With Coverage	0	91%
Out-of-Pocket ³	\$1,879	\$162

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



City Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	34%	38%
Female	66%	62%
Age		
< 65	13%	20%
65+	87%	80%
Income Level		
Under 100% FPL	21%	18%
100%–150% FPL	21%	13%
Over 150% FPL	58%	69%
Race		
White	23%	34%
Black	75%	65%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

FLORIDA

51 Percent More Florida Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	2,960,000	2,960,000
With Catastrophic Coverage	1,400,000	2,890,000
Percent With Coverage	47%	98%
Out-of-Pocket ³	\$1,455	\$953
Low-Income⁴	1,060,000	1,060,000
With Catastrophic Coverage	550,000	1,040,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,195	\$578

Beneficiaries Without Catastrophic Coverage

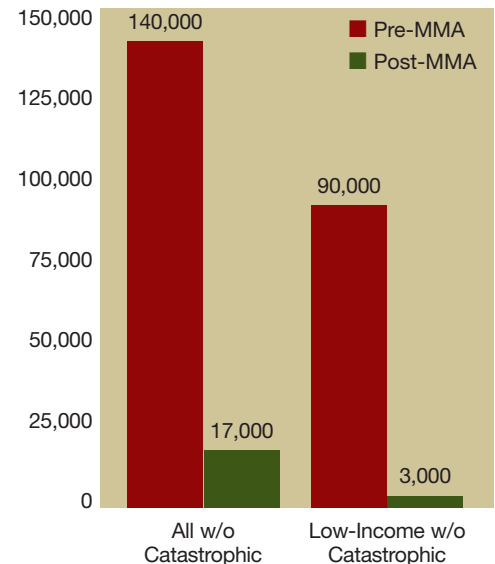
	Pre-MMA	Post-MMA
All Medicare²	1,560,000	1,560,000
With Catastrophic Coverage	0	1,490,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$2,022	\$819
Low-Income⁴	510,000	510,000
With Catastrophic Coverage	0	490,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$2,023	\$168

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	50%
Female	59%	50%
Age		
< 65	10%	14%
65+	90%	86%
Income Level		
Under 100% FPL	11%	11%
100%–150% FPL	18%	9%
Over 150% FPL	72%	80%
Race		
White	91%	91%
Black	9%	8%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	15%	14%

*Less than 4 percent

GEORGIA

45 Percent More Georgia Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	971,000	971,000
With Catastrophic Coverage	508,000	942,000
Percent With Coverage	52%	97%
Out-of-Pocket ³	\$1,484	\$992
Low-Income⁴	398,000	398,000
With Catastrophic Coverage	196,000	386,000
Percent With Coverage	49%	97%
Out-of-Pocket ³	\$1,219	\$602

Beneficiaries Without Catastrophic Coverage

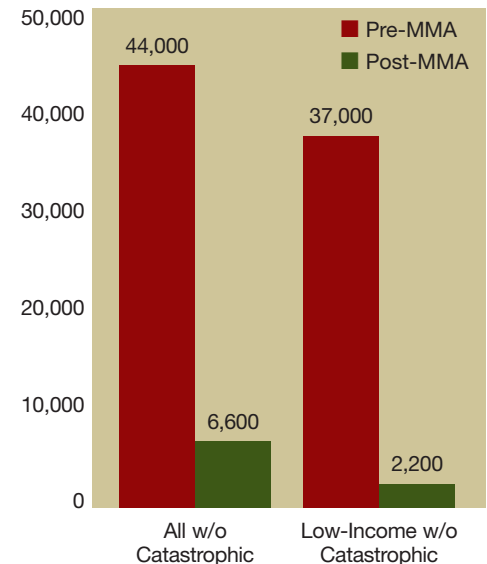
	Pre-MMA	Post-MMA
All Medicare²	463,000	463,000
With Catastrophic Coverage	0	434,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,063	\$850
Low-Income⁴	202,000	202,000
With Catastrophic Coverage	0	190,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,064	\$174

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	47%	47%
Female	53%	53%
Age		
< 65	15%	25%
65+	85%	75%
Income Level		
Under 100% FPL	11%	12%
100%–150% FPL	20%	13%
Over 150% FPL	68%	75%
Race		
White	76%	74%
Black	23%	24%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

HAWAII

37 Percent More Hawaii Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	170,000	170,000
With Catastrophic Coverage	103,000	167,000
Percent With Coverage	61%	98%
Out-of-Pocket ³	\$1,060	\$726
Low-Income⁴	56,000	56,000
With Catastrophic Coverage	35,000	55,000
Percent With Coverage	63%	98%
Out-of-Pocket ³	\$871	\$443

Beneficiaries Without Catastrophic Coverage

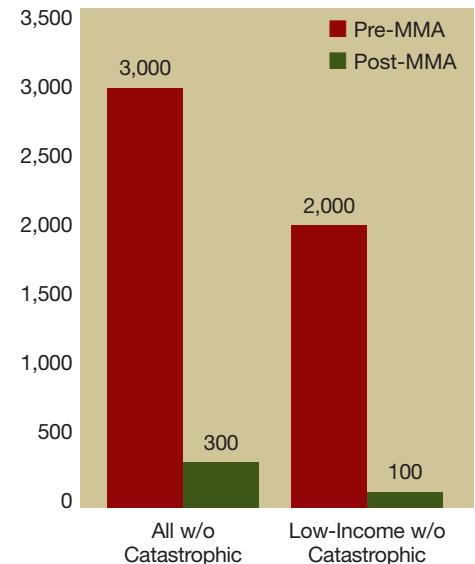
	Pre-MMA	Post-MMA
All Medicare²	67,000	67,000
With Catastrophic Coverage	0	64,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,474	\$626
Low-Income⁴	21,000	21,000
With Catastrophic Coverage	0	20,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,475	\$134

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	32%	49%
Female	68%	51%
Age		
< 65	11%	9%
65+	89%	91%
Income Level		
Under 100% FPL	13%	10%
100%–150% FPL	14%	9%
Over 150% FPL	73%	81%
Race		
White	22%	24%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	77%	74%
Hispanic (of any race)	*	*

*Less than 4 percent

IDAHO

48 Percent More Idaho Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	175,000	175,000
With Catastrophic Coverage	88,000	171,000
Percent With Coverage	50%	98%
Out-of-Pocket ³	\$1,147	\$811
Low-Income⁴	47,000	47,000
With Catastrophic Coverage	16,000	46,000
Percent With Coverage	34%	98%
Out-of-Pocket ³	\$943	\$493

Beneficiaries Without Catastrophic Coverage

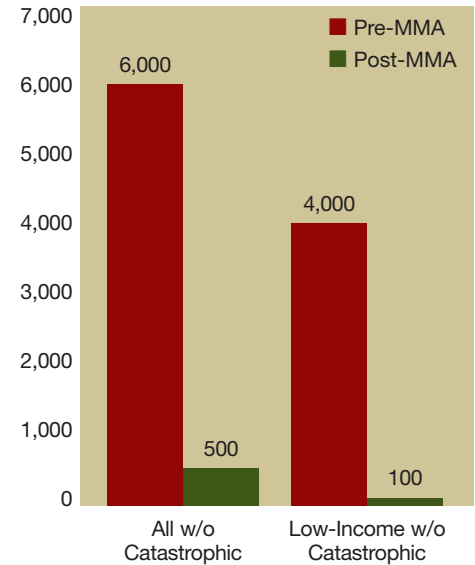
	Pre-MMA	Post-MMA
All Medicare²	87,000	87,000
With Catastrophic Coverage	0	84,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,595	\$701
Low-Income⁴	31,000	31,000
With Catastrophic Coverage	0	30,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,596	\$147

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	44%	48%
Female	56%	52%
Age		
< 65	15%	18%
65+	85%	82%
Income Level		
Under 100% FPL	9%	8%
100%–150% FPL	20%	5%
Over 150% FPL	72%	87%
Race		
White	97%	100%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

ILLINOIS

46 Percent More Illinois Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	1,620,000	1,620,000
With Catastrophic Coverage	850,000	1,580,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,259	\$858
Low-Income⁴	607,000	607,000
With Catastrophic Coverage	281,000	592,000
Percent With Coverage	46%	98%
Out-of-Pocket ³	\$1,035	\$521

Beneficiaries Without Catastrophic Coverage

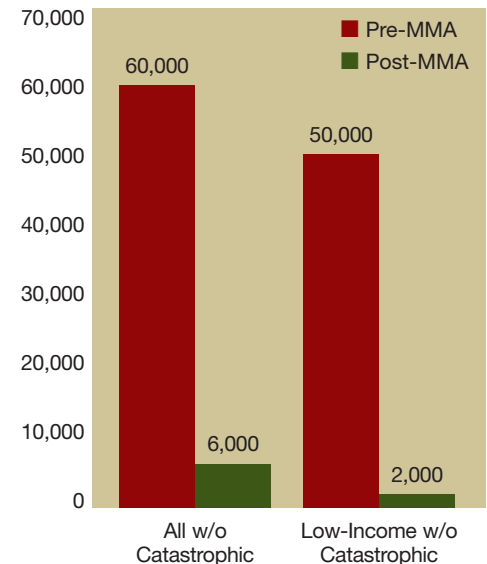
	Pre-MMA	Post-MMA
All Medicare²	770,000	770,000
With Catastrophic Coverage	0	733,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,751	\$741
Low-Income⁴	326,000	326,000
With Catastrophic Coverage	0	310,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,752	\$154

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	38%	46%
Female	62%	54%
Age		
< 65	14%	15%
65+	86%	85%
Income Level		
Under 100% FPL	14%	11%
100%–150% FPL	18%	11%
Over 150% FPL	68%	78%
Race		
White	86%	87%
Black	12%	11%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	4%

*Less than 4 percent

INDIANA

45 Percent More Indiana Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	863,000	863,000
With Catastrophic Coverage	453,000	839,000
Percent With Coverage	52%	97%
Out-of-Pocket ³	\$1,327	\$903
Low-Income⁴	316,000	316,000
With Catastrophic Coverage	148,000	307,000
Percent With Coverage	47%	97%
Out-of-Pocket ³	\$1,090	\$548

Beneficiaries Without Catastrophic Coverage

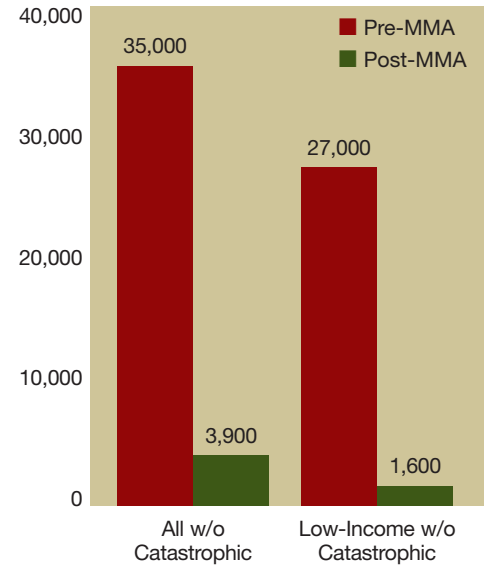
	Pre-MMA	Post-MMA
All Medicare²	410,000	410,000
With Catastrophic Coverage	0	386,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,844	\$778
Low-Income⁴	168,000	168,000
With Catastrophic Coverage	0	158,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,845	\$161

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	50%
Female	59%	50%
Age		
< 65	15%	19%
65+	85%	81%
Income Level		
Under 100% FPL	11%	12%
100%–150% FPL	23%	11%
Over 150% FPL	67%	77%
Race		
White	92%	93%
Black	6%	7%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

IOWA

43 Percent More Iowa Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	473,000	473,000
With Catastrophic Coverage	263,000	467,000
Percent With Coverage	56%	99%
Out-of-Pocket ³	\$1,210	\$820
Low-Income⁴	143,000	143,000
With Catastrophic Coverage	78,000	141,000
Percent With Coverage	55%	99%
Out-of-Pocket ³	\$994	\$498

Beneficiaries Without Catastrophic Coverage

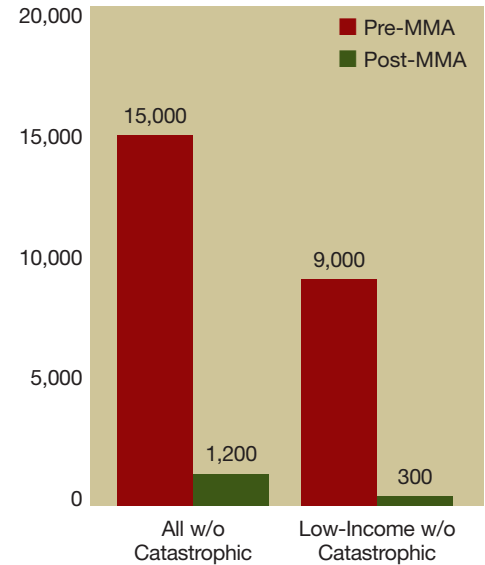
	Pre-MMA	Post-MMA
All Medicare²	210,000	210,000
With Catastrophic Coverage	0	204,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,682	\$709
Low-Income⁴	65,000	65,000
With Catastrophic Coverage	0	63,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,682	\$148

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	44%	45%
Female	56%	55%
Age		
< 65	10%	18%
65+	90%	82%
Income Level		
Under 100% FPL	7%	11%
100%–150% FPL	20%	9%
Over 150% FPL	73%	80%
Race		
White	97%	99%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

KANSAS

49 Percent More Kansas Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	389,000	389,000
With Catastrophic Coverage	191,000	381,000
Percent With Coverage	49%	98%
Out-of-Pocket ³	\$1,235	\$839
Low-Income⁴	149,000	149,000
With Catastrophic Coverage	76,000	146,000
Percent With Coverage	51%	98%
Out-of-Pocket ³	\$1,014	\$510

Beneficiaries Without Catastrophic Coverage

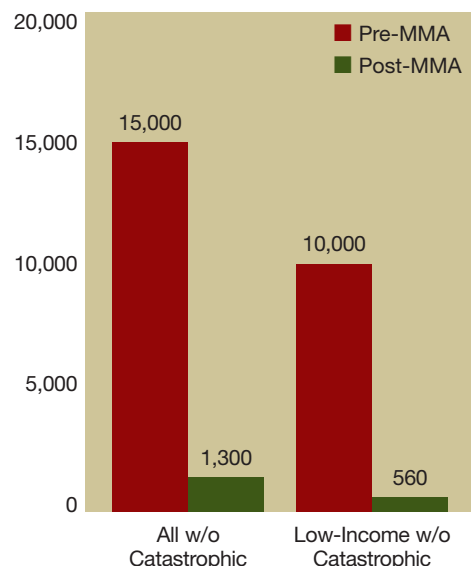
	Pre-MMA	Post-MMA
All Medicare²	198,000	198,000
With Catastrophic Coverage	0	190,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,717	\$725
Low-Income⁴	73,000	73,000
With Catastrophic Coverage	0	69,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,717	\$151

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	38%	48%
Female	62%	52%
Age		
< 65	10%	22%
65+	90%	78%
Income Level		
Under 100% FPL	10%	18%
100%–150% FPL	17%	13%
Over 150% FPL	73%	69%
Race		
White	96%	86%
Black	*	9%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

KENTUCKY

32 Percent More Kentucky Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	644,000	644,000
With Catastrophic Coverage	425,000	633,000
Percent With Coverage	66%	98%
Out-of-Pocket ³	\$1,413	\$922
Low-Income⁴	272,000	272,000
With Catastrophic Coverage	188,000	267,000
Percent With Coverage	69%	98%
Out-of-Pocket ³	\$1,161	\$559

Beneficiaries Without Catastrophic Coverage

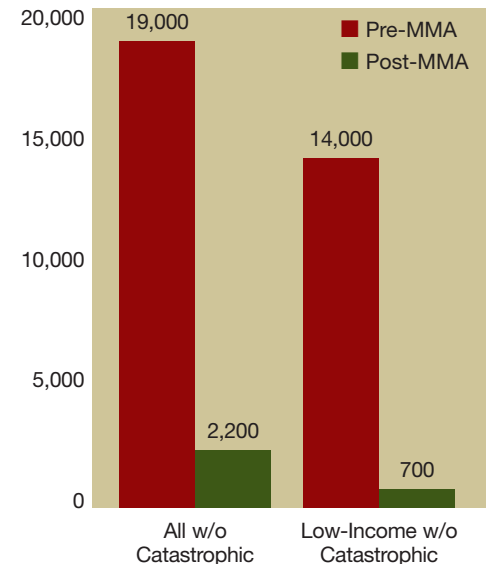
	Pre-MMA	Post-MMA
All Medicare²	219,000	219,000
With Catastrophic Coverage	0	207,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,964	\$793
Low-Income⁴	84,000	84,000
With Catastrophic Coverage	0	80,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,965	\$164

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	44%	48%
Female	56%	52%
Age		
< 65	19%	17%
65+	81%	84%
Income Level		
Under 100% FPL	12%	14%
100%–150% FPL	29%	10%
Over 150% FPL	59%	76%
Race		
White	95%	96%
Black	5	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

LOUISIANA

40 Percent More Louisiana Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	618,000	618,000
With Catastrophic Coverage	359,000	605,000
Percent With Coverage	58%	98%
Out-of-Pocket ³	\$1,385	\$914
Low-Income⁴	260,000	260,000
With Catastrophic Coverage	157,000	255,000
Percent With Coverage	60%	98%
Out-of-Pocket ³	\$1,138	\$555

Beneficiaries Without Catastrophic Coverage

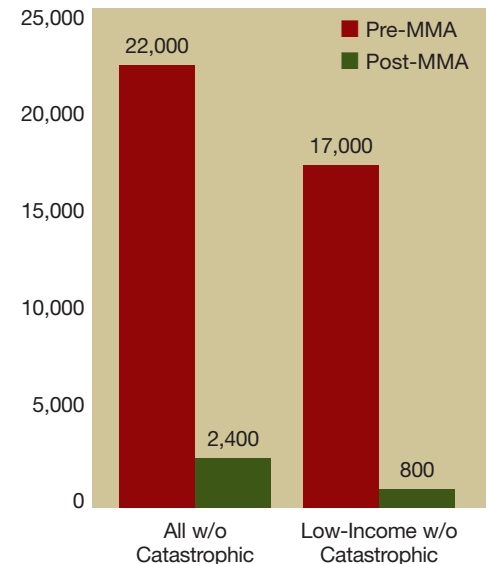
	Pre-MMA	Post-MMA
All Medicare²	259,000	259,000
With Catastrophic Coverage	0	246,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,926	\$787
Low-Income⁴	103,000	103,000
With Catastrophic Coverage	0	98,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,927	\$162

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	46%
Female	57%	54%
Age		
< 65	16%	18%
65+	84%	82%
Income Level		
Under 100% FPL	14%	8%
100%–150% FPL	27%	12%
Over 150% FPL	59%	79%
Race		
White	74%	72%
Black	25%	26%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MAINE

34 Percent More Maine Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	226,000	226,000
With Catastrophic Coverage	144,000	222,000
Percent With Coverage	64%	98%
Out-of-Pocket ³	\$1,248	\$871
Low-Income⁴	84,000	84,000
With Catastrophic Coverage	55,000	82,000
Percent With Coverage	65%	98%
Out-of-Pocket ³	\$1,026	\$528

Beneficiaries Without Catastrophic Coverage

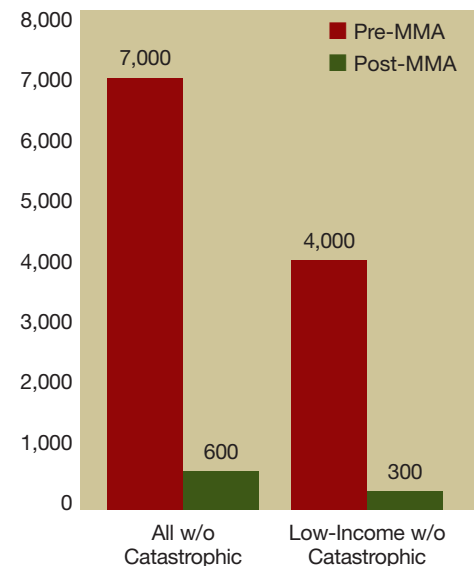
	Pre-MMA	Post-MMA
All Medicare²	82,000	82,000
With Catastrophic Coverage	0	78,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,735	\$752
Low-Income⁴	29,000	29,000
With Catastrophic Coverage	0	27,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,736	\$156

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	43%
Female	58%	57%
Age		
< 65	7%	23%
65+	93%	77%
Income Level		
Under 100% FPL	9%	14%
100%–150% FPL	19%	18%
Over 150% FPL	72%	68%
Race		
White	99%	98%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MARYLAND

38 Percent More Maryland Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	646,000	646,000
With Catastrophic Coverage	390,000	633,000
Percent With Coverage	60%	98%
Out-of-Pocket ³	\$1,420	\$938
Low-Income⁴	228,000	228,000
With Catastrophic Coverage	129,000	224,000
Percent With Coverage	57%	98%
Out-of-Pocket ³	\$1,166	\$569

Beneficiaries Without Catastrophic Coverage

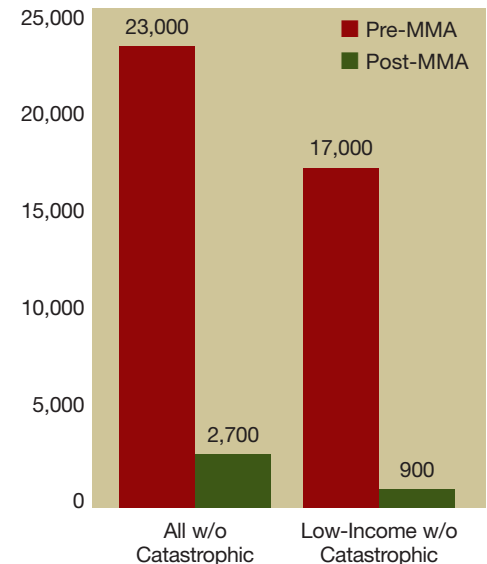
	Pre-MMA	Post-MMA
All Medicare²	256,000	256,000
With Catastrophic Coverage	0	243,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,974	\$806
Low-Income⁴	99,000	99,000
With Catastrophic Coverage	0	94,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,974	\$166

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	35%	48%
Female	65%	52%
Age		
< 65	12%	13%
65+	88%	87%
Income Level		
Under 100% FPL	11%	10%
100%–150% FPL	20%	10%
Over 150% FPL	69%	80%
Race		
White	82%	82%
Black	16%	17%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MASSACHUSETTS

47 Percent More Massachusetts Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	937,000	937,000
With Catastrophic Coverage	481,000	917,000
Percent With Coverage	51%	98%
Out-of-Pocket ³	\$1,274	\$867
Low-Income⁴	437,000	437,000
With Catastrophic Coverage	239,000	428,000
Percent With Coverage	55%	98%
Out-of-Pocket ³	\$1,047	\$526

Beneficiaries Without Catastrophic Coverage

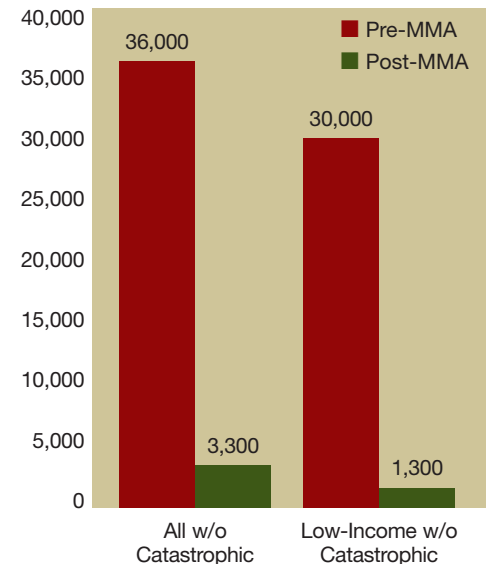
	Pre-MMA	Post-MMA
All Medicare²	456,000	456,000
With Catastrophic Coverage	0	437,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,772	\$749
Low-Income⁴	198,000	198,000
With Catastrophic Coverage	0	189,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,773	\$155

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	32%	50%
Female	68%	50%
Age		
< 65	4%	18%
65+	96%	82%
Income Level		
Under 100% FPL	16%	19%
100%–150% FPL	22%	12%
Over 150% FPL	62%	69%
Race		
White	96%	88%
Black	*	9%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MICHIGAN

31 Percent More Michigan Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	1,430,000	1,430,000
With Catastrophic Coverage	953,000	1,400,000
Percent With Coverage	67%	98%
Out-of-Pocket ³	\$1,427	\$945
Low-Income⁴	423,000	423,000
With Catastrophic Coverage	290,000	416,000
Percent With Coverage	69%	98%
Out-of-Pocket ³	\$1,173	\$573

Beneficiaries Without Catastrophic Coverage

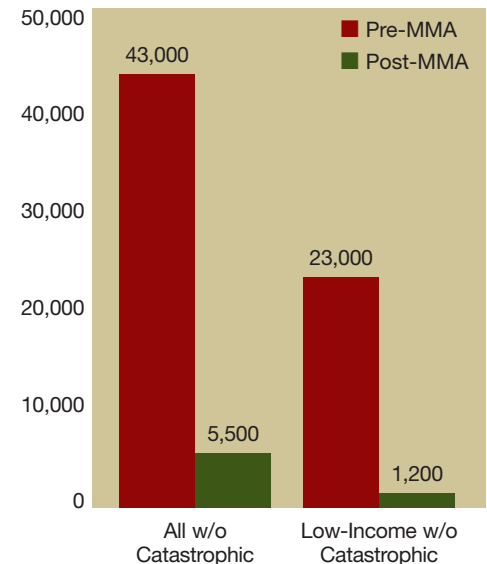
	Pre-MMA	Post-MMA
All Medicare²	477,000	477,000
With Catastrophic Coverage	0	449,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,984	\$812
Low-Income⁴	133,000	133,000
With Catastrophic Coverage	0	126,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,985	\$167

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	45%
Female	60%	55%
Age		
< 65	15%	22%
65+	85%	78%
Income Level		
Under 100% FPL	13%	10%
100%–150% FPL	14%	10%
Over 150% FPL	72%	80%
Race		
White	86%	83%
Black	14%	16%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MINNESOTA

40 Percent More Minnesota Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	661,000	661,000
With Catastrophic Coverage	388,000	653,000
Percent With Coverage	59%	99%
Out-of-Pocket ³	\$1,144	\$766
Low-Income⁴	254,000	254,000
With Catastrophic Coverage	142,000	251,000
Percent With Coverage	56%	97%
Out-of-Pocket ³	\$940	\$466

Beneficiaries Without Catastrophic Coverage

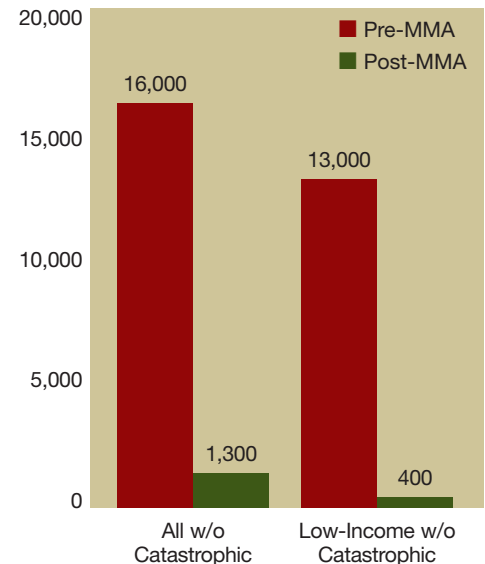
	Pre-MMA	Post-MMA
All Medicare²	273,000	273,000
With Catastrophic Coverage	0	265,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,590	\$662
Low-Income⁴	112,000	112,000
With Catastrophic Coverage	0	109,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,591	\$140

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	45%	51%
Female	55%	49%
Age		
< 65	9%	16%
65+	91%	84%
Income Level		
Under 100% FPL	9%	13%
100%–150% FPL	13%	12%
Over 150% FPL	77%	75%
Race		
White	98%	97%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MISSISSIPPI

33 Percent More Mississippi Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	440,000	440,000
With Catastrophic Coverage	287,000	430,000
Percent With Coverage	65%	98%
Out-of-Pocket ³	\$1,326	\$889
Low-Income⁴	222,000	222,000
With Catastrophic Coverage	154,000	217,000
Percent With Coverage	69%	98%
Out-of-Pocket ³	\$1,090	\$539

Beneficiaries Without Catastrophic Coverage

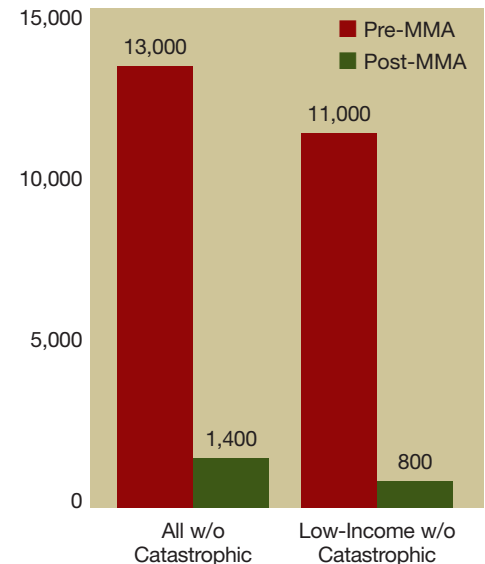
	Pre-MMA	Post-MMA
All Medicare²	153,000	153,000
With Catastrophic Coverage	0	143,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,844	\$766
Low-Income⁴	68,000	68,000
With Catastrophic Coverage	0	63,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,845	\$159

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	43%
Female	57%	57%
Age		
< 65	19%	33%
65+	81%	67%
Income Level		
Under 100% FPL	15%	20%
100%–150% FPL	25%	18%
Over 150% FPL	60%	62%
Race		
White	74%	59%
Black	26%	41%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MISSOURI

43 Percent More Missouri Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	877,000	877,000
With Catastrophic Coverage	481,000	860,000
Percent With Coverage	55%	98%
Out-of-Pocket ³	\$1,298	\$863
Low-Income⁴	311,000	311,000
With Catastrophic Coverage	191,000	305,000
Percent With Coverage	61%	98%
Out-of-Pocket ³	\$1,066	\$523

Beneficiaries Without Catastrophic Coverage

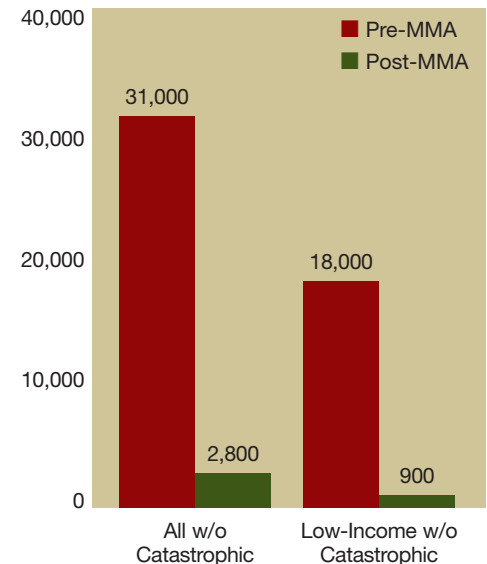
	Pre-MMA	Post-MMA
All Medicare²	396,000	396,000
With Catastrophic Coverage	0	380,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,804	\$745
Low-Income⁴	120,000	120,000
With Catastrophic Coverage	0	114,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,805	\$155

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	38%	47%
Female	62%	53%
Age		
< 65	13%	18%
65+	87%	82%
Income Level		
Under 100% FPL	12%	14%
100%–150% FPL	15%	9%
Over 150% FPL	74%	76%
Race		
White	88%	90%
Black	10%	9%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

MONTANA

48 Percent More Montana Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	141,000	141,000
With Catastrophic Coverage	71,000	138,000
Percent With Coverage	50%	98%
Out-of-Pocket ³	\$1,134	\$786
Low-Income⁴	55,000	55,000
With Catastrophic Coverage	23,000	53,000
Percent With Coverage	42%	97%
Out-of-Pocket ³	\$932	\$478

Beneficiaries Without Catastrophic Coverage

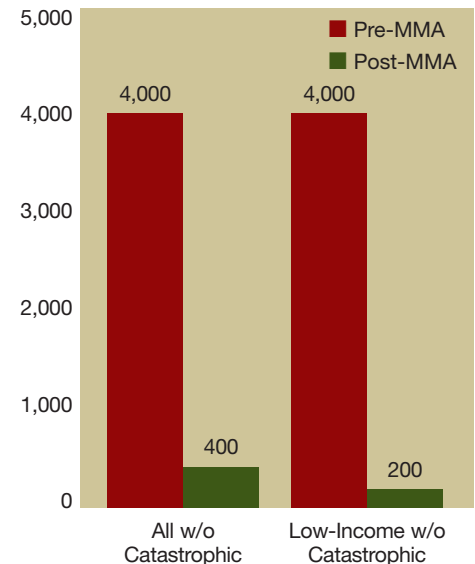
	Pre-MMA	Post-MMA
All Medicare²	70,000	70,000
With Catastrophic Coverage	0	67,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,576	\$680
Low-Income⁴	32,000	32,000
With Catastrophic Coverage	0	31,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,577	\$143

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	49%
Female	59%	51%
Age		
< 65	12%	31%
65+	88%	69%
Income Level		
Under 100% FPL	12%	14%
100%–150% FPL	22%	9%
Over 150% FPL	66%	77%
Race		
White	98%	98%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

NEBRASKA

44 Percent More Nebraska Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	251,000	251,000
With Catastrophic Coverage	139,000	248,000
Percent With Coverage	55%	99%
Out-of-Pocket ³	\$1,169	\$780
Low-Income⁴	92,000	92,000
With Catastrophic Coverage	48,000	91,000
Percent With Coverage	52%	99%
Out-of-Pocket ³	\$960	\$474

Beneficiaries Without Catastrophic Coverage

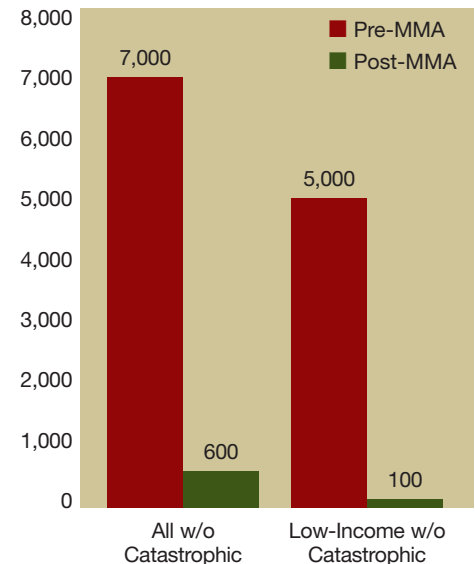
	Pre-MMA	Post-MMA
All Medicare²	112,000	112,000
With Catastrophic Coverage	0	109,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,625	\$674
Low-Income⁴	44,000	44,000
With Catastrophic Coverage	0	43,000
Percent With Coverage	0	98%
Out-of-Pocket ³	\$1,626	\$142

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	45%
Female	60%	55%
Age		
< 65	8%	18%
65+	92%	82%
Income Level		
Under 100% FPL	13%	10%
100%–150% FPL	18%	8%
Over 150% FPL	68%	81%
Race		
White	95%	96%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

NEVADA

51 Percent More Nevada Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	269,000	269,000
With Catastrophic Coverage	124,000	260,000
Percent With Coverage	46%	97%
Out-of-Pocket ³	\$1,179	\$806
Low-Income⁴	95,000	95,000
With Catastrophic Coverage	46,000	92,000
Percent With Coverage	48%	97%
Out-of-Pocket ³	\$969	\$490

Beneficiaries Without Catastrophic Coverage

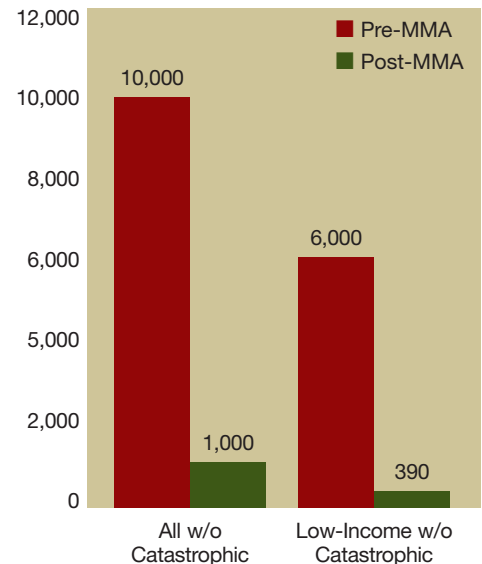
	Pre-MMA	Post-MMA
All Medicare²	145,000	145,000
With Catastrophic Coverage	0	136,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,639	\$697
Low-Income⁴	49,000	49,000
With Catastrophic Coverage	0	46,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,640	\$146

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	45%	54%
Female	55%	46%
Age		
< 65	13%	15%
65+	87%	85%
Income Level		
Under 100% FPL	15%	8%
100%–150% FPL	20%	8%
Over 150% FPL	65%	84%
Race		
White	88%	84%
Black	7%	8%
American Indian/Alaskan	*	*
Asian/Pacific Islander	5%	8%
Hispanic (of any race)	5	*

*Less than 4 percent

NEW HAMPSHIRE

42 Percent More New Hampshire Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	169,000	169,000
With Catastrophic Coverage	95,000	166,000
Percent With Coverage	56%	98%
Out-of-Pocket ³	\$1,192	\$830
Low-Income⁴	48,000	48,000
With Catastrophic Coverage	25,000	47,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$979	\$504

Beneficiaries Without Catastrophic Coverage

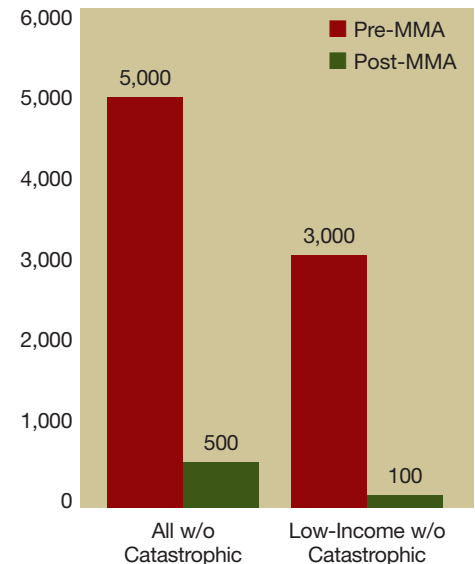
	Pre-MMA	Post-MMA
All Medicare²	74,000	74,000
With Catastrophic Coverage	0	70,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,657	\$717
Low-Income⁴	23,000	23,000
With Catastrophic Coverage	0	23,000
Percent With Coverage	0	98%
Out-of-Pocket ³	\$1,658	\$150

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	38%	41%
Female	62%	60%
Age		
< 65	13%	19%
65+	87%	81%
Income Level		
Under 100% FPL	9%	7%
100%–150% FPL	23%	8%
Over 150% FPL	67%	86%
Race		
White	99%	100%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

NEW JERSEY

41 Percent More New Jersey Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	1,190,000	1,190,000
With Catastrophic Coverage	661,000	1,160,000
Percent With Coverage	56%	97%
Out-of-Pocket ³	\$1,330	\$900
Low-Income⁴	354,000	354,000
With Catastrophic Coverage	209,000	345,000
Percent With Coverage	59%	97%
Out-of-Pocket ³	\$1,093	\$546

Beneficiaries Without Catastrophic Coverage

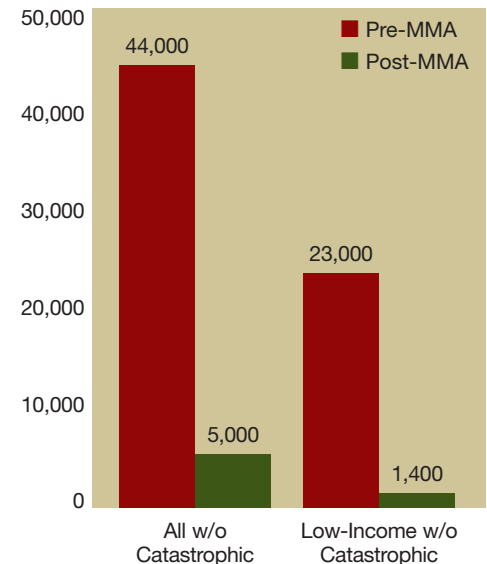
	Pre-MMA	Post-MMA
All Medicare²	529,000	529,000
With Catastrophic Coverage	0	497,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,850	\$775
Low-Income⁴	145,000	145,000
With Catastrophic Coverage	0	136,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,850	\$160

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	44%
Female	60%	56%
Age		
< 65	10%	11%
65+	90%	89%
Income Level		
Under 100% FPL	12%	9%
100%–150% FPL	17%	7%
Over 150% FPL	72%	84%
Race		
White	85%	86%
Black	12%	11%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	5%	7%

*Less than 4 percent

NEW MEXICO

44 Percent More New Mexico Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	239,000	239,000
With Catastrophic Coverage	128,000	235,000
Percent With Coverage	54%	98%
Out-of-Pocket ³	\$1,178	\$825
Low-Income⁴	103,000	103,000
With Catastrophic Coverage	59,000	101,000
Percent With Coverage	57%	98%
Out-of-Pocket ³	\$968	\$501

Beneficiaries Without Catastrophic Coverage

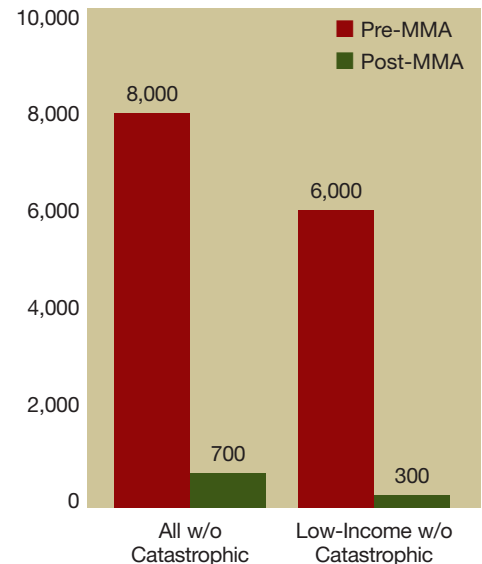
	Pre-MMA	Post-MMA
All Medicare²	111,000	111,000
With Catastrophic Coverage	0	107,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,638	\$713
Low-Income⁴	44,000	44,000
With Catastrophic Coverage	0	42,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,639	\$149

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	39%	48%
Female	61%	52%
Age		
< 65	21%	27%
65+	79%	73%
Income Level		
Under 100% FPL	12%	23%
100%–150% FPL	21%	15%
Over 150% FPL	67%	62%
Race		
White	87%	85%
Black	*	*
American Indian/Alaskan	9%	9%
Asian/Pacific Islander	*	*
Hispanic (of any race)	39%	28%

*Less than 4 percent

NEW YORK

48 Percent More New York Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	2,720,000	2,720,000
With Catastrophic Coverage	1,330,000	2,650,000
Percent With Coverage	49%	97%
Out-of-Pocket ³	\$1,343	\$896
Low-Income⁴	1,110,000	1,110,000
With Catastrophic Coverage	520,000	1,090,000
Percent With Coverage	47%	98%
Out-of-Pocket ³	\$1,103	\$544

Beneficiaries Without Catastrophic Coverage

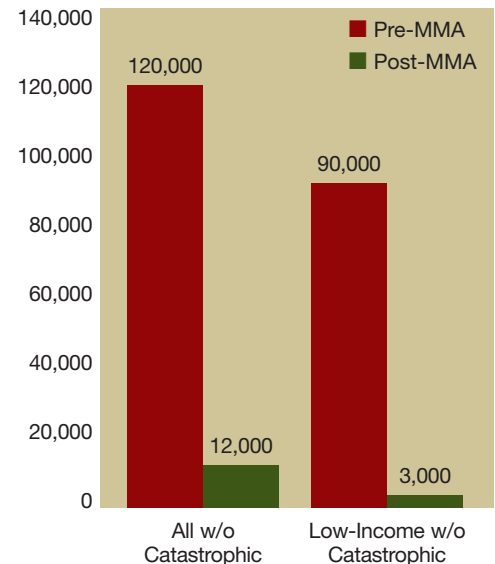
	Pre-MMA	Post-MMA
All Medicare²	1,390,000	1,390,000
With Catastrophic Coverage	0	1,320,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,866	\$772
Low-Income⁴	590,000	590,000
With Catastrophic Coverage	0	570,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,867	\$160

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	47%
Female	60%	53%
Age		
< 65	12%	20%
65+	88%	80%
Income Level		
Under 100% FPL	16%	16%
100%–150% FPL	17%	12%
Over 150% FPL	67%	72%
Race		
White	84%	81%
Black	12%	16%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	7%	9%

*Less than 4 percent

NORTH CAROLINA

47 Percent More North Carolina Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	1,210,000	1,210,000
With Catastrophic Coverage	618,000	1,180,000
Percent With Coverage	51%	98%
Out-of-Pocket ³	\$1,469	\$984
Low-Income⁴	549,000	549,000
With Catastrophic Coverage	305,000	533,000
Percent With Coverage	56%	97%
Out-of-Pocket ³	\$1,207	\$597

Beneficiaries Without Catastrophic Coverage

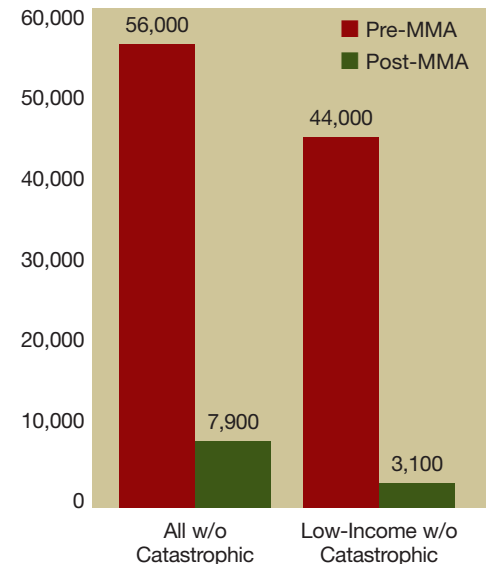
	Pre-MMA	Post-MMA
All Medicare²	592,000	592,000
With Catastrophic Coverage	0	561,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$2,042	\$844
Low-Income⁴	244,000	244,000
With Catastrophic Coverage	0	227,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,043	\$173

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	44%
Female	57%	56%
Age		
< 65	22%	27%
65+	78%	73%
Income Level		
Under 100% FPL	13%	24%
100%–150% FPL	25%	10%
Over 150% FPL	62%	66%
Race		
White	81%	74%
Black	16%	23%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	4%	*

*Less than 4 percent

NORTH DAKOTA

62 Percent More North Dakota Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	105,000	105,000
With Catastrophic Coverage	37,000	102,000
Percent With Coverage	35%	97%
Out-of-Pocket ³	\$1,152	\$760
Low-Income⁴	27,000	27,000
With Catastrophic Coverage	14,000	26,000
Percent With Coverage	52%	97%
Out-of-Pocket ³	\$946	\$462

Beneficiaries Without Catastrophic Coverage

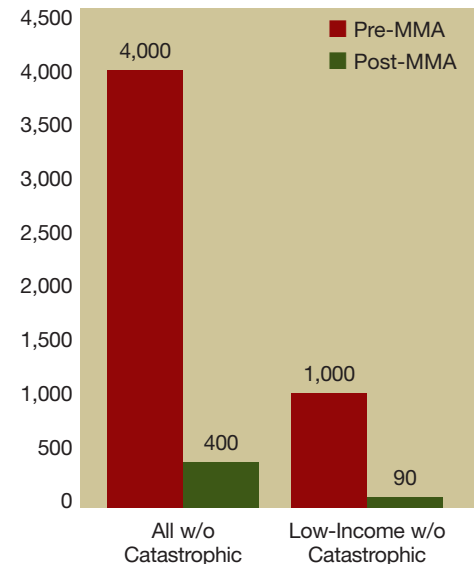
	Pre-MMA	Post-MMA
All Medicare²	68,000	68,000
With Catastrophic Coverage	0	64,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,601	\$656
Low-Income⁴	13,000	13,000
With Catastrophic Coverage	0	12,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,602	\$139

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	50%
Female	57%	50%
Age		
< 65	6%	23%
65+	94%	77%
Income Level		
Under 100% FPL	9%	10%
100%–150% FPL	23%	10%
Over 150% FPL	68%	80%
Race		
White	99%	96%
Black	*	*
American Indian/Alaskan	*	4%
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

OHIO

47 Percent More Ohio Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	1,710,000	1,710,000
With Catastrophic Coverage	876,000	1,670,000
Percent With Coverage	51%	98%
Out-of-Pocket ³	\$1,366	\$907
Low-Income⁴	582,000	582,000
With Catastrophic Coverage	273,000	569,000
Percent With Coverage	47%	98%
Out-of-Pocket ³	\$1,123	\$550

Beneficiaries Without Catastrophic Coverage

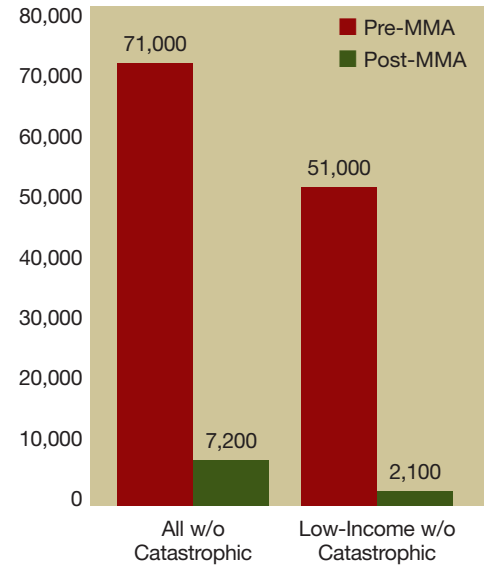
	Pre-MMA	Post-MMA
All Medicare²	834,000	834,000
With Catastrophic Coverage	0	799,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,900	\$781
Low-Income⁴	309,000	309,000
With Catastrophic Coverage	0	296,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,901	\$161

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	37%	48%
Female	63%	52%
Age		
< 65	14%	17%
65+	86%	83%
Income Level		
Under 100% FPL	13%	10%
100%–150% FPL	20%	7%
Over 150% FPL	67%	82%
Race		
White	89%	91%
Black	11%	9%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

OKLAHOMA

43 Percent More Oklahoma Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	520,000	520,000
With Catastrophic Coverage	284,000	509,000
Percent With Coverage	55%	98%
Out-of-Pocket ³	\$1,284	\$875
Low-Income⁴	202,000	202,000
With Catastrophic Coverage	100,000	197,000
Percent With Coverage	50%	98%
Out-of-Pocket ³	\$1,055	\$531

Beneficiaries Without Catastrophic Coverage

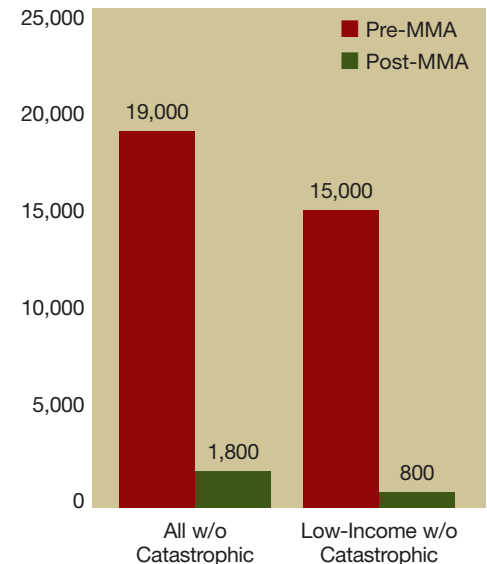
	Pre-MMA	Post-MMA
All Medicare²	236,000	236,000
With Catastrophic Coverage	0	225,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,786	\$754
Low-Income⁴	102,000	102,000
With Catastrophic Coverage	0	97,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,787	\$156

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	37%	45%
Female	63%	55%
Age		
< 65	11%	19%
65+	89%	81%
Income Level		
Under 100% FPL	13%	19%
100%–150% FPL	12%	7%
Over 150% FPL	75%	74%
Race		
White	89%	85%
Black	7%	9%
American Indian/Alaskan	4%	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

OREGON

55 Percent More Oregon Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	512,000	512,000
With Catastrophic Coverage	218,000	501,000
Percent With Coverage	43%	98%
Out-of-Pocket ³	\$1,147	\$753
Low-Income⁴	174,000	174,000
With Catastrophic Coverage	79,000	170,000
Percent With Coverage	45%	98%
Out-of-Pocket ³	\$942	\$458

Beneficiaries Without Catastrophic Coverage

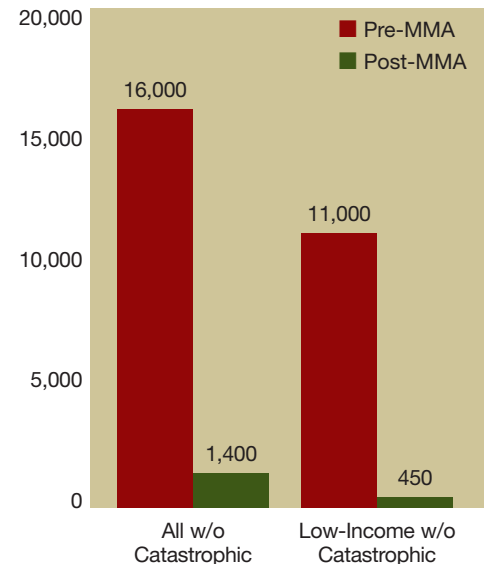
	Pre-MMA	Post-MMA
All Medicare²	294,000	294,000
With Catastrophic Coverage	0	283,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,594	\$650
Low-Income⁴	95,000	95,000
With Catastrophic Coverage	0	91,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,595	\$138

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	43%
Female	59%	57%
Age		
< 65	11%	16%
65+	89%	84%
Income Level		
Under 100% FPL	6%	11%
100%–150% FPL	19%	12%
Over 150% FPL	75%	77%
Race		
White	93%	96%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

PENNSYLVANIA

55 Percent More Pennsylvania Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	2,090,000	2,090,000
With Catastrophic Coverage	920,000	2,060,000
Percent With Coverage	44%	99%
Out-of-Pocket ³	\$1,304	\$878
Low-Income⁴	685,000	685,000
With Catastrophic Coverage	275,000	673,000
Percent With Coverage	40%	98%
Out-of-Pocket ³	\$1,071	\$533

Beneficiaries Without Catastrophic Coverage

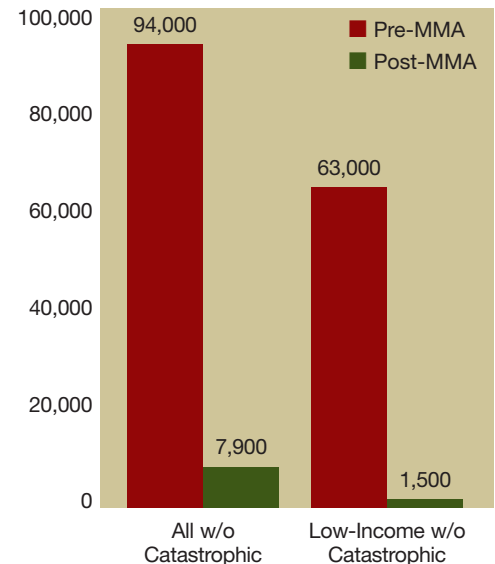
	Pre-MMA	Post-MMA
All Medicare²	1,170,000	1,170,000
With Catastrophic Coverage	0	1,140,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,813	\$757
Low-Income⁴	410,000	410,000
With Catastrophic Coverage	0	400,000
Percent With Coverage	0	98%
Out-of-Pocket ³	\$1,814	\$157

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	39%	46%
Female	61%	55%
Age		
< 65	7%	19%
65+	93%	81%
Income Level		
Under 100% FPL	11%	10%
100%–150% FPL	17%	10%
Over 150% FPL	71%	80%
Race		
White	91%	90%
Black	8%	9%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

RHODE ISLAND

52 Percent More Rhode Island Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	163,000	163,000
With Catastrophic Coverage	77,000	161,000
Percent With Coverage	47%	99%
Out-of-Pocket ³	\$1,299	\$882
Low-Income⁴	69,000	69,000
With Catastrophic Coverage	33,000	68,000
Percent With Coverage	48%	98%
Out-of-Pocket ³	\$1,067	\$535

Beneficiaries Without Catastrophic Coverage

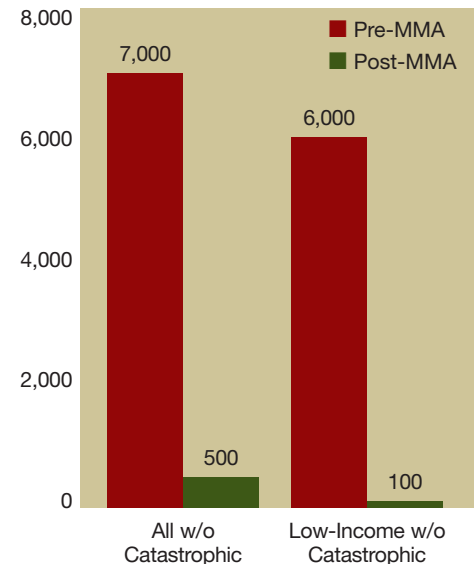
	Pre-MMA	Post-MMA
All Medicare²	86,000	86,000
With Catastrophic Coverage	0	85,000
Percent With Coverage	0	99%
Out-of-Pocket ³	\$1,806	\$760
Low-Income⁴	36,000	36,000
With Catastrophic Coverage	0	36,000
Percent With Coverage	0	98%
Out-of-Pocket ³	\$1,807	\$158

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	37%	49%
Female	63%	51%
Age		
< 65	8%	22%
65+	92%	78%
Income Level		
Under 100% FPL	12%	19%
100%–150% FPL	21%	12%
Over 150% FPL	67%	69%
Race		
White	96%	93%
Black	*	5%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	5%

*Less than 4 percent

SOUTH CAROLINA

35 Percent More South Carolina Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	609,000	609,000
With Catastrophic Coverage	382,000	595,000
Percent With Coverage	63%	98%
Out-of-Pocket ³	\$1,517	\$1,000
Low-Income⁴	260,000	260,000
With Catastrophic Coverage	170,000	254,000
Percent With Coverage	65%	98%
Out-of-Pocket ³	\$1,246	\$606

Beneficiaries Without Catastrophic Coverage

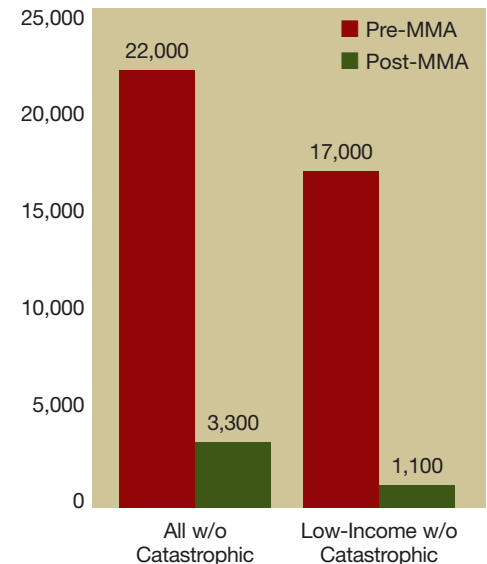
	Pre-MMA	Post-MMA
All Medicare²	227,000	227,000
With Catastrophic Coverage	0	213,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,109	\$857
Low-Income⁴	90,000	90,000
With Catastrophic Coverage	0	84,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,110	\$175

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	40%	48%
Female	60%	52%
Age		
< 65	20%	22%
65+	80%	79%
Income Level		
Under 100% FPL	14%	16%
100%–150% FPL	17%	13%
Over 150% FPL	69%	71%
Race		
White	71%	79%
Black	29%	21%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

SOUTH DAKOTA

63 Percent More South Dakota Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	123,000	123,000
With Catastrophic Coverage	42,000	119,000
Percent With Coverage	34%	97%
Out-of-Pocket ³	\$1,075	\$733
Low-Income⁴	62,000	62,000
With Catastrophic Coverage	18,000	60,000
Percent With Coverage	29%	97%
Out-of-Pocket ³	\$884	\$447

Beneficiaries Without Catastrophic Coverage

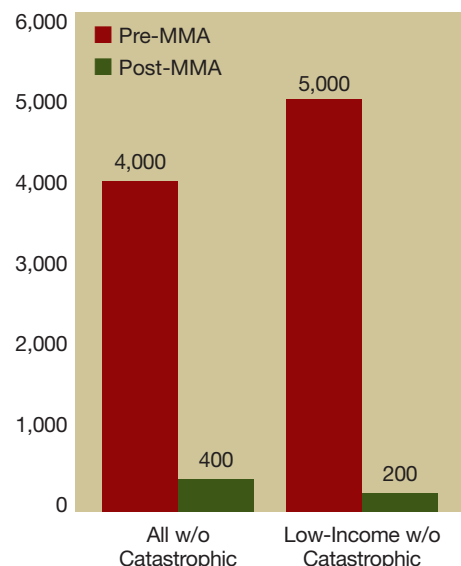
	Pre-MMA	Post-MMA
All Medicare²	81,000	81,000
With Catastrophic Coverage	0	77,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,495	\$632
Low-Income⁴	44,000	44,000
With Catastrophic Coverage	0	42,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,496	\$135

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	56%
Female	58%	44%
Age		
< 65	5%	32%
65+	95%	68%
Income Level		
Under 100% FPL	10%	17%
100%–150% FPL	21%	11%
Over 150% FPL	69%	71%
Race		
White	97%	79%
Black	*	*
American Indian/Alaskan	*	19%
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

TENNESSEE

43 Percent More Tennessee Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	876,000	876,000
With Catastrophic Coverage	483,000	855,000
Percent With Coverage	55%	98%
Out-of-Pocket ³	\$1,422	\$930
Low-Income⁴	379,000	379,000
With Catastrophic Coverage	197,000	370,000
Percent With Coverage	52%	98%
Out-of-Pocket ³	\$1,169	\$564

Beneficiaries Without Catastrophic Coverage

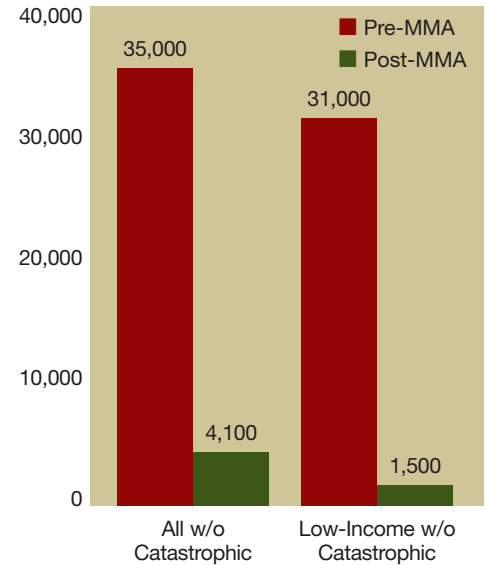
	Pre-MMA	Post-MMA
All Medicare²	393,000	393,000
With Catastrophic Coverage	0	372,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,977	\$800
Low-Income⁴	182,000	182,000
With Catastrophic Coverage	0	173,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,978	\$165

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	50%
Female	58%	50%
Age		
< 65	19%	29%
65+	81%	71%
Income Level		
Under 100% FPL	12%	16%
100%–150% FPL	17%	18%
Over 150% FPL	70%	66%
Race		
White	90%	89%
Black	9%	10%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

TEXAS

51 Percent More Texas Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	2,390,000	2,390,000
With Catastrophic Coverage	1,090,000	2,310,000
Percent With Coverage	46%	97%
Out-of-Pocket ³	\$1,304	\$885
Low-Income⁴	1,030,000	1,030,000
With Catastrophic Coverage	466,000	997,000
Percent With Coverage	45%	97%
Out-of-Pocket ³	\$1,072	\$537

Beneficiaries Without Catastrophic Coverage

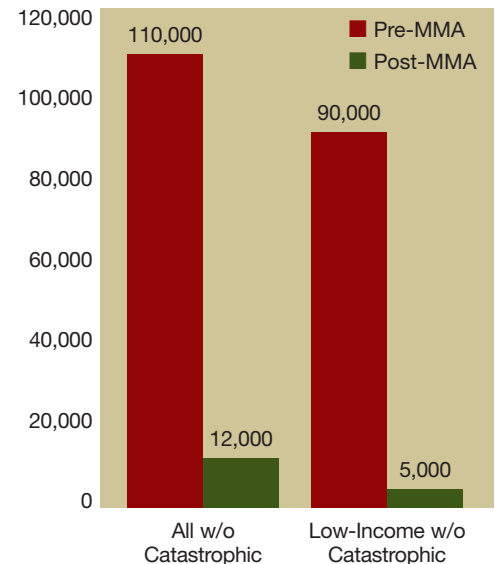
	Pre-MMA	Post-MMA
All Medicare²	1,300,000	1,300,000
With Catastrophic Coverage	0	1,210,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,813	\$763
Low-Income⁴	564,000	564,000
With Catastrophic Coverage	0	530,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,814	\$158

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	49%
Female	59%	51%
Age		
< 65	12%	20%
65+	88%	80%
Income Level		
Under 100% FPL	21%	15%
100%–150% FPL	18%	9%
Over 150% FPL	61%	76%
Race		
White	87%	87%
Black	12%	11%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	23%	20%

*Less than 4 percent

UTAH

35 Percent More Utah Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	213,000	213,000
With Catastrophic Coverage	135,000	208,000
Percent With Coverage	63%	98%
Out-of-Pocket ³	\$1,194	\$835
Low-Income⁴	35,000	35,000
With Catastrophic Coverage	25,000	34,000
Percent With Coverage	71%	97%
Out-of-Pocket ³	\$981	\$507

Beneficiaries Without Catastrophic Coverage

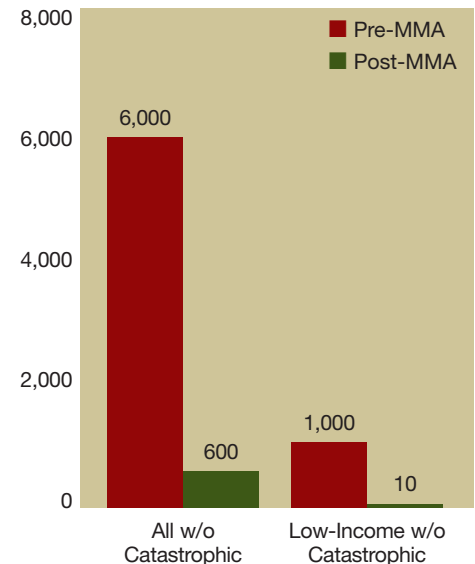
	Pre-MMA	Post-MMA
All Medicare²	78,000	78,000
With Catastrophic Coverage	0	73,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,659	\$721
Low-Income⁴	10,000	10,000
With Catastrophic Coverage	0	9,900
Percent With Coverage	0	99%
Out-of-Pocket ³	\$1,660	\$150

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	48%	50%
Female	52%	50%
Age		
< 65	17%	14%
65+	83%	86%
Income Level		
Under 100% FPL	12%	5%
100%–150% FPL	17%	4%
Over 150% FPL	71%	91%
Race		
White	96%	96%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

VERMONT

32 Percent More Vermont Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	94,000	94,000
With Catastrophic Coverage	62,000	92,000
Percent With Coverage	66%	98%
Out-of-Pocket ³	\$1,218	\$849
Low-Income⁴	27,000	27,000
With Catastrophic Coverage	18,000	27,000
Percent With Coverage	67%	99%
Out-of-Pocket ³	\$1,001	\$515

Beneficiaries Without Catastrophic Coverage

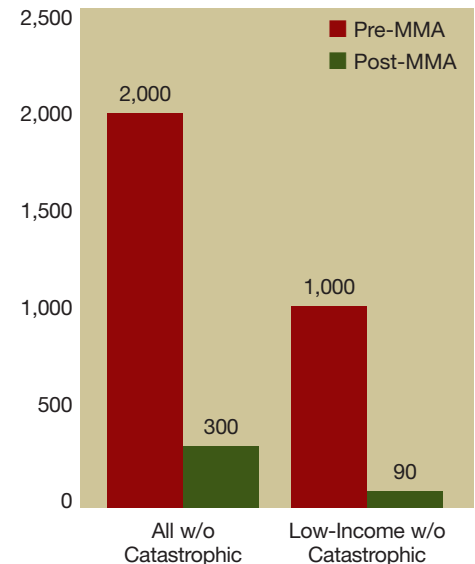
	Pre-MMA	Post-MMA
All Medicare²	32,000	32,000
With Catastrophic Coverage	0	30,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$1,694	\$733
Low-Income⁴	9,000	9,000
With Catastrophic Coverage	0	8,200
Percent With Coverage	0	93%
Out-of-Pocket ³	\$1,694	\$153

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	46%
Female	58%	54%
Age		
< 65	14%	21%
65+	86%	79%
Income Level		
Under 100% FPL	10%	8%
100%–150% FPL	19%	13%
Over 150% FPL	71%	79%
Race		
White	100%	99%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

VIRGINIA

36 Percent More Virginia Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	931,000	931,000
With Catastrophic Coverage	579,000	909,000
Percent With Coverage	62%	98%
Out-of-Pocket ³	\$1,450	\$969
Low-Income⁴	374,000	374,000
With Catastrophic Coverage	253,000	365,000
Percent With Coverage	68%	98%
Out-of-Pocket ³	\$1,191	\$588

Beneficiaries Without Catastrophic Coverage

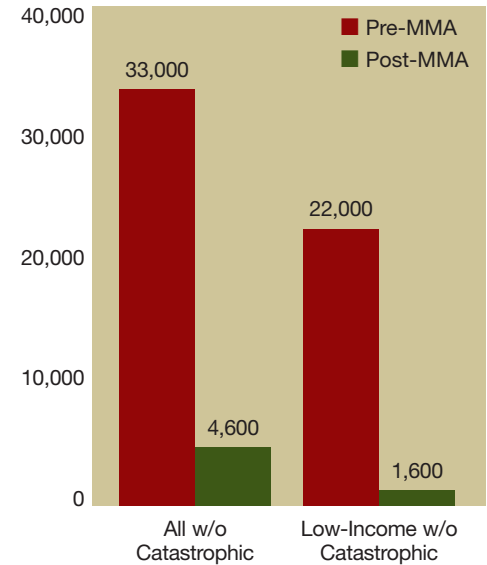
	Pre-MMA	Post-MMA
All Medicare²	352,000	352,000
With Catastrophic Coverage	0	330,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,015	\$831
Low-Income⁴	121,000	121,000
With Catastrophic Coverage	0	112,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,016	\$170

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	51%
Female	58%	49%
Age		
< 65	19%	15%
65+	81%	85%
Income Level		
Under 100% FPL	18%	10%
100%–150% FPL	13%	7%
Over 150% FPL	69%	83%
Race		
White	78%	84%
Black	19%	13%
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

WASHINGTON

43 Percent More Washington Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	768,000	768,000
With Catastrophic Coverage	420,000	753,000
Percent With Coverage	55%	98%
Out-of-Pocket ³	\$1,184	\$800
Low-Income⁴	303,000	303,000
With Catastrophic Coverage	172,000	297,000
Percent With Coverage	57%	98%
Out-of-Pocket ³	\$973	\$486

Beneficiaries Without Catastrophic Coverage

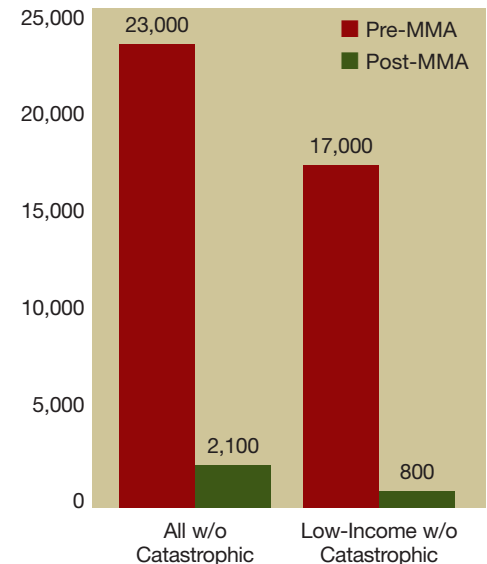
	Pre-MMA	Post-MMA
All Medicare²	348,000	348,000
With Catastrophic Coverage	0	333,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,646	\$692
Low-Income⁴	131,000	131,000
With Catastrophic Coverage	0	125,000
Percent With Coverage	0	95%
Out-of-Pocket ³	\$1,647	\$145

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	42%	50%
Female	58%	50%
Age		
< 65	10%	18%
65+	90%	82%
Income Level		
Under 100% FPL	10%	14%
100%–150% FPL	20%	7%
Over 150% FPL	69%	79%
Race		
White	93%	91%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	5%	8%
Hispanic (of any race)	*	*

*Less than 4 percent

WEST VIRGINIA

42 Percent More West Virginia Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	348,000	348,000
With Catastrophic Coverage	190,000	337,000
Percent With Coverage	55%	97%
Out-of-Pocket ³	\$1,555	\$1,008
Low-Income⁴	124,000	124,000
With Catastrophic Coverage	65,000	120,000
Percent With Coverage	52%	97%
Out-of-Pocket ³	\$1,278	\$611

Beneficiaries Without Catastrophic Coverage

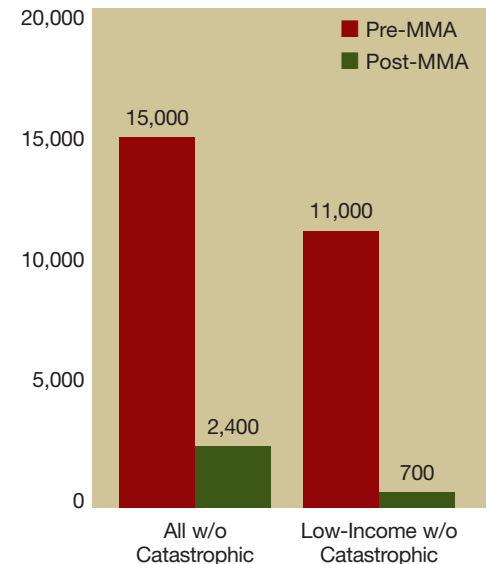
	Pre-MMA	Post-MMA
All Medicare²	158,000	158,000
With Catastrophic Coverage	0	148,000
Percent With Coverage	0	94%
Out-of-Pocket ³	\$2,162	\$863
Low-Income⁴	59,000	59,000
With Catastrophic Coverage	0	55,000
Percent With Coverage	0	93%
Out-of-Pocket ³	\$2,163	\$176

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	43%	52%
Female	57%	48%
Age		
< 65	19%	29%
65+	81%	71%
Income Level		
Under 100% FPL	14%	10%
100%–150% FPL	28%	12%
Over 150% FPL	58%	78%
Race		
White	98%	99%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

WISCONSIN

43 Percent More Wisconsin Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare¹	792,000	792,000
With Catastrophic Coverage	434,000	776,000
Percent With Coverage	55%	98%
Out-of-Pocket ²	\$1,238	\$853
Low-Income³	239,000	239,000
With Catastrophic Coverage	114,000	234,000
Percent With Coverage	48%	98%
Out-of-Pocket ²	\$1,017	\$518

Beneficiaries Without Catastrophic Coverage

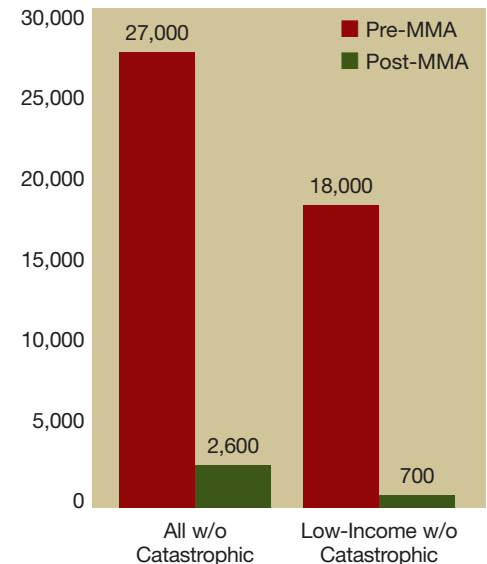
	Pre-MMA	Post-MMA
All Medicare²	358,000	358,000
With Catastrophic Coverage	0	342,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,721	\$737
Low-Income⁴	125,000	125,000
With Catastrophic Coverage	0	120,000
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,721	\$153

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	41%	48%
Female	59%	52%
Age		
< 65	10%	23%
65+	90%	77%
Income Level		
Under 100% FPL	13%	8%
100%–150% FPL	18%	6%
Over 150% FPL	69%	86%
Race		
White	96%	95%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent

WYOMING

42 Percent More Wyoming Seniors Will Have Catastrophic Coverage¹ Under New Medicare Prescription Drug Benefit

All Beneficiaries

	Pre-MMA	Post-MMA
All Medicare²	68,000	68,000
With Catastrophic Coverage	39,000	67,000
Percent With Coverage	57%	99%
Out-of-Pocket ³	\$1,092	\$746
Low-Income⁴	28,000	28,000
With Catastrophic Coverage	19,000	27,000
Percent With Coverage	68%	97%
Out-of-Pocket ³	\$897	\$455

Beneficiaries Without Catastrophic Coverage

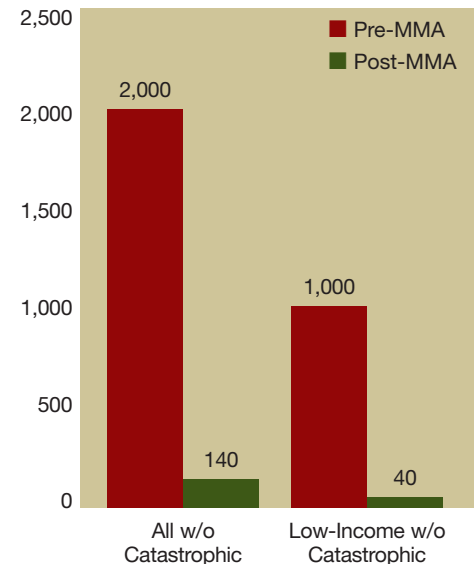
	Pre-MMA	Post-MMA
All Medicare²	29,000	29,000
With Catastrophic Coverage	0	28,000
Percent With Coverage	0	97%
Out-of-Pocket ³	\$1,518	\$644
Low-Income⁴	9,000	9,000
With Catastrophic Coverage	0	8,700
Percent With Coverage	0	96%
Out-of-Pocket ³	\$1,518	\$137

Source: PricewaterhouseCoopers Health Policy Economics' tabulations, October 2005. Gender, marital status, age, income level, and race were tabulated from the US Census March 2004 Current Population Survey.

Notes:

1. Those with catastrophic coverage include beneficiaries with employer-sponsored insurance, Medicaid, and other federal insurance. Beneficiaries without catastrophic coverage are those with Medigap, Medicare advantage, and no prescription drug coverage.
2. This category is defined as beneficiaries enrolled in Part B.
3. Out-of-pocket spending does not include premium costs. Premium costs are estimated to be \$32 a month by the Centers for Medicare and Medicaid Services.
4. The low-income population includes beneficiaries who meet the asset test and are at or below 150 percent of the federal poverty level.

Beneficiaries With Out-of-Pocket Prescription Drug Spending Greater Than \$4,000



State Demographics

Characteristic	Pre-MMA Catastrophic Coverage	
	Without	With
Gender		
Male	38%	53%
Female	62%	47%
Age		
< 65	10%	19%
65+	90%	81%
Income Level		
Under 100% FPL	9%	14%
100%–150% FPL	14%	10%
Over 150% FPL	76%	76%
Race		
White	98%	98%
Black	*	*
American Indian/Alaskan	*	*
Asian/Pacific Islander	*	*
Hispanic (of any race)	*	*

*Less than 4 percent