

FEBRUARY 29, 2000

**SCHAKOWSKY POINTS TO WHITE HOUSE REPORT ON CRITICAL NEED TO ADD
MEDICARE DRUG BENEFIT**

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today said that Congress must act expeditiously to provide a voluntary affordable prescription drug benefit to all Medicare beneficiaries.□□

Schakowsky pointed to a report released today by the White House on the critical need to take action to provide affordable drug coverage and protect Medicare for years to come.□ While Schakowsky supports all seniors and persons with disabilities have access to affordable drugs, she opposes proposals to limit access to only persons with incomes below \$15,000 a year.□ This report found that such a plan would ignore the needs of more than 670,000 people living in Illinois, leaving them to pay exorbitant drug prices out of their own pocket.□□

The report found that nationally Medicare enrollment will double to 80 million beneficiaries in the next 30 years.□ Specifically in Illinois, the number of Medicare beneficiaries will rise from 1.48 million in 2000 to 2.23 million in 2034.□□ Below is Illinois-specific data.□ To view the full report, please go to <http://www.whitehouse.gov/WH/New/html/Medicare2000/>

**ILLINOIS: THE NEED FOR MEDICARE REFORM
MEDICARE PROVIDES CRITICAL HEALTH CARE TO 1,626,000 IN ILLINOIS**

1,440,000 seniors and 186,000 people with disabilities in Illinois rely on Medicare. About 946,000 Medicare beneficiaries in Illinois (58 percent) are women.

About 185,000 Medicare beneficiaries in Illinois (11 percent) are age 85 and older.

About 343,000 Medicare beneficiaries in Illinois (21 percent) live in rural areas, with limited or no options for managed care or prescription drug coverage.

Poverty among the elderly in Illinois fell from 27 to 12 percent since Medicare was created.

MEDICARE ENROLLMENT WILL SURGE IN ILLINOIS

The number of seniors in Illinois will rise from 1,484,000 in 2000 to 2,234,000 in 2025. The percent of residents in Illinois who are elderly will increase from 12 to 17 percent.

About 227,000 people (24%) ages 55 to 65 in Illinois, who are not yet eligible for

Medicare, are uninsured or individually insured. People age 55 to 65 are the fastest growing group of uninsured. The same demographic trend will affect this age group, making this problem even worse in the near future.

ILLINOIS SENIORS NEED PRESCRIPTION DRUG COVERAGE

Only 25 percent of Illinois firms offer retiree health insurance. Retiree health insurance provides good prescription drug coverage, but only one-quarter of Medicare beneficiaries nationwide have this coverage. This will be lower in the future since 25 percent fewer firms offered retiree health in 1998 than 1994.

The monthly premium for Medigap insurance including prescription drugs averages \$131 in Illinois, which is out of reach for many seniors. Medigap (supplemental health insurance for beneficiaries) has plans that include prescription drugs, but these plans are typically costly and their premiums increase dramatically with age. Only about 1 in 10 Medicare beneficiaries nationwide purchases Medigap with drug coverage, and the extra cost is about \$90 per month.

Access to prescription drug coverage through Medicare managed care is limited in Illinois. About 1,031,593 or 63 percent of Medicare beneficiaries in Illinois have the option of enrolling in a basic managed care plan that offers prescription drugs. Moreover, nationwide, an increasing number of plans are capping their drug coverage at \$1,000 or even \$500.

About 678,000 of all elderly in Illinois are middle class (\$15- 50,000) and would not be eligible for a low-income prescription drug benefit.