

DRAFT: HEALTH INSURANCE TAX POLICIES

POLICY	FEATURES				10 YR COST
	Value	Health Insurance	Income Eligibility	Other	
Arney	Credit: \$1,000 indiv. (43%) \$3,000 family (53%)	Individual insurance (no standards)	Refundable No upper income limit	Allows direct payment to insurers	About \$200 b (Based on Gruber study)
Stark	Credit: \$1,200 indiv. (52 %) \$3,600 family (63 %)	Individual policies offered by FEHBP plans	Refundable No upper income limit	Allows direct payment to insurers	About \$400 b (Based on Gruber study)
House Republicans' Access Bill / \$792 b plan	Deduction: Phased up to 100%	Individual or group premium if indiv. pays > 50 percent of total premium (no standards)	Not refundable No upper income limits		\$31 b (JCT)
	Deduction: 100%	Individual insurance for self employed	Not refundable No upper income limits	Accelerates phase-in of deduction	\$2 b (JCT)
	Deduction	Medical savings account	Not refundable No upper income limits		\$4 b (JCT)
Finance Democrats	Credit: 30% up to \$1,000 indiv. \$2,000 family	Individual insurance (some standards)	Refundable Upper income limit of \$20,000 indiv., \$40,000 family		\$17 b (Finance staff estimate)
	Deduction: 100%	Individual insurance for self employed	Not refundable No upper income limits	Accelerates phase-in of deduction	\$2 b (JCT)
Gore	Credit: 25% (\$575 indiv., \$1,425 family)	Individuals policies (some standards)	Refundable Upper income limit (unspecified)		\$35 b (Gore estimate)
Bradley	Credit: \$1,800 indiv. (78%) \$5,000 family (88%)	Individual policies offered by FEHBP plans	Refundable Phases out from 100 to 200% of poverty	Allows direct payment to insurers	\$470-570 (Bradley 1-yr cost trended at 5%)
	Deduction: 100%	All premium payments	Not refundable No upper income limits		\$60-85 b (Bradley 1-yr cost trended at 5%)
PB 2001	Credit: 15% (\$345 indiv., \$855 family)	Individual policies (some standards)	Not refundable No upper income limits		\$20-30 b (Treasury)

Assumes premiums of \$2,300 for an individual, \$5,700 for a family (Kaiser Family Foundation, 1999).
All estimates are stand-alone gross costs, assuming no savings from changing current policies

TAX SUBSIDIES

EXHIBIT 3
Alternative Policies For Tax Subsidization Of Health Insurance

	Total take-up (millions)	Total cost (billions)	Change in uninsured (millions)	Change in nongroup insured (millions)	Change in employer insured (millions)	Cost per newly insured (thousands)	Percent of benefits for • 200% FPL
Base policy	18.37	\$13,286	-4.03	9.77	-5.37	\$3,296	56.4%
Nonrefundable credit	11.10	6,978	-1.82	5.95	-4.07	3,827	23.1
Deduction	6.32	871	-0.25	1.59	-1.33	3,544	26.8
Limited to those not offered insurance	10.03	6,153	-2.10	6.36	-4.07	2,927	68.8
Credit for all insurance	127.30	62,177	-12.43	3.41	9.60	5,003	36.5
\$500/\$1,000 credit	11.43	3,838	-1.71	4.07	-2.14	2,239	62.2
\$2,000/\$4,000 credit	32.27	37,945	-7.72	22.24	-13.95	4,815	49.2
No liquidity constraints	19.91	14,652	-5.46	11.36	-5.37	2,683	59.5
\$2,000/\$4,000 cap and no liquidity constraints	37.11	44,345	-12.10	27.13	-13.93	3,665	54.9

SOURCE: Authors' calculations.

NOTE: FPL is federal poverty level (\$17,274 for a family of four).

size of the uninsured population would fall even more, with fewer than two million uninsured persons gaining coverage (only 4.3 percent of the uninsured). As a result, the cost per newly insured person (\$3,827) would be even higher than with the refundable credit (\$3,296), largely because such a high share of the dollars would be going to the previously nongroup- or employer-insured. Moreover, the distributional consequences of this approach are much less attractive. Only 23 percent of the spending through this policy would go to those with incomes below 20 percent of the poverty line.

There are a number of political and administrative arguments against refundability, most significantly the question of whether net tax refunds to low-income families are hidden forms of "welfare" payments. But the results here speak clearly: Refundability is critical for appropriate targeting of tax incentives to low-income persons who are uninsured.

- **Using a deduction.** Another alternative that could limit costs further is to use a tax deduction rather than a credit, but this approach has problems similar to those of nonrefundability in reaching the uninsured. Moreover, of the half of the uninsured who do pay taxes, 90 percent are in the 15 percent tax bracket, so a subsidy in the form of a deduction would be worth relatively little to them.

In our microsimulation model we assume that an unlimited deduction of nongroup health insurance costs is an "above-the-line" deduction that would be available to all taxpayers, not just to those who itemize their deductions. The costs of this policy (only \$870 million per year) would be dramatically lower than those of the alternatives. But its impact on insurance coverage would be much more modest, with only 250,000 uninsured persons gaining cover-

INSURANCE 79
COVERAGE

DRAFT: HEALTH INSURANCE TAX POLICIES

POLICY	FEATURES				10 YR COST
	Value	Health Insurance	Income Eligibility	Other	
Army	Credit: \$1,000 indiv. (43%) \$3,000 family (53%)	Individual insurance (no standards)	Refundable No upper income limit	Allows direct payment to insurers	About \$200 b (Based on Gruber study)
Stark	Credit: \$1,200 indiv. (52 %) \$3,600 family (63 %)	Individual policies offered by FEHBP plans	Refundable No upper income limit	Allows direct payment to insurers	About \$400 b (Based on Gruber study)
House Republicans' Access Bill / \$792 b plan	Deduction: Phased up to 100%	Individual or group premium if indiv. pays > 50 percent of total premium (no standards)	Not refundable No upper income limits		\$31 b (JCT)
	Deduction: 100%	Individual insurance for self employed	Not refundable No upper income limits	Accelerates phase-in of deduction	\$2 b (JCT)
	Deduction	Medical savings account	Not refundable No upper income limits		\$4 b (JCT)
Finance Democrats	Credit: 30% up to \$1,000 indiv. \$2,000 family	Individual insurance (some standards)	Refundable Upper income limit of \$20,000 indiv., \$40,000 family		\$17 b (Finance staff estimate)
	Deduction: 100%	Individual insurance for self employed	Not refundable No upper income limits	Accelerates phase-in of deduction	\$2 b (JCT)
Gore	Credit: 25% (\$575 indiv., \$1,425 family)	Individuals policies (some standards)	Refundable Upper income limit (unspecified)		\$35 b (Gore estimate)
Bradley	Credit: \$1,800 indiv. (78%) \$5,000 family (88%)	Individual policies offered by FEHBP plans	Refundable Phases out from 100 to 200% of poverty	Allows direct payment to insurers	\$470-570 (Bradley 1-yr cost trended at 5%)
	Deduction: 100%	All premium payments	Not refundable No upper income limits		\$60-85 b (Bradley 1-yr cost trended at 5%)
PB 2001	Credit: 15% (\$345 indiv., \$855 family)	Individual policies (some standards)	Not refundable No upper income limits		\$20-30 b (Treasury)

Assumes premiums of \$2,300 for an individual, \$5,700 for a family (Kaiser Family Foundation, 1999).
All estimates are stand-alone gross costs, assuming no savings from changing current policies



**DEPARTMENT OF THE TREASURY
OFFICE OF TAX ANALYSIS
1500 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20220**

Number of pages to follow: 13

Date: 12/17

To: Chris Jennings

Addressee's Fax Number: 456-5557

Addressee's Confirmation Number: _____

From: Len Burman
Deputy Assistant Secretary (Tax Analysis)

Sender's Fax Number: 622-1051

Sender's Confirmation Number: 622-0120

Comments/Special Instructions:

NOTE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND/OR RESTRICTED AS TO OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. If the recipient of this message is not the addressee (i.e., the intended recipient, you are hereby notified that you should not read this document and that any dissemination, distribution, or copying of this communication except insofar as necessary to deliver this document to the intended recipient, is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone, and you will be provided further instruction about the return or destruction of the this document. Thank you.

UNCLASSIFIED

AGENDA: TAXES
December 17, 1999

- OUTLINE**
- I. Last Year's Budget - Revenue Proposals**
 - II. Framework of FY 2001 Tax Cut**
 - III. Should a Tax Cut be Contingent on Social Security and Medicare Reform?**
 - IV. Role of USAs**
 - V. Major Themes**

FY 2000 Budget

- Last year's tax initiatives (other than USAs) cost about \$26 billion over 5 years and \$70 billion over ten years. These were fully offset by revenue raising provisions.

	<u>5-year</u>	<u>10-year</u>
• Education (primarily school construction)	2.4	8.0
• Health		
1. Long term care	5.6	14.2
2. Disabled worker credit	0.7	1.7
• Climate change initiatives	3.4	8.8
• Child care tax credits	6.4	14.3
• Revitalize communities		
• New Markets	1.0	2.0
• Better America Bonds	0.6	2.8
• Low income housing tax credit	1.0	5.4
• Tax Simplification	0.6	0.8
• Pensions	1.4	2.9
• Miscellaneous	<u>1.6</u>	<u>6.2</u>
Total	25.9	69.5

- Last year's USA proposal cost \$250 billion over ten years.

How Big Should Tax Cut Be?

Options

1. Gross tax cut of \$320 billion; net tax cut of \$250 billion.
 - Assumes traditional offsets
2. Gross tax cut of \$320 billion; net tax cut of \$200 billion
 - Same as above plus tobacco
3. Gross tax cut of \$370 billion; net tax cut of \$250 billion
 - Tobacco plus traditional offsets
 - \$50 billion higher gross tax cut than in the FY2000 Budget
4. Gross tax cut of \$270 billion; net tax cut of \$200 billion
 - No tobacco
 - \$50 billion smaller gross tax cut than in the FY2000 Budget
5. Gross tax cut of \$270 billion; net tax cut of \$150 billion
 - Tobacco and traditional offsets
 - Frees \$100 billion for other purposes

Issues

- **Warning:** because the on-budget surplus is currently projected to be small in the first five years, there may be little room for tax cuts in the early years of the budget. It may be a challenge to phase in significant tax cuts in a way that makes sense.
- Some of your advisors would like a smaller tax cut to allow some of the surplus to be set aside to address Social Security solvency in the ten-year window.
- Last year the tobacco excise tax was used to offset mandatory spending. Some used this to label our budget as "tax and spend."

Should the Tax Cut be Contingent?
--

1. Should the tax cut be contingent on both Social Security and Medicare solvency?
2. Should the tax cut be contingent on either Social Security or Medicare solvency?
3. Should we have a paid for tax cut and a separate and contingent unpaid for tax cut like last year?
4. Without a single large savings-oriented tax cut, is there a way of logically dividing an unpaid tax cut from a paid for tax cut?
5. It is the feeling of some of your advisors and Democratic Hill staff that USAs would be a more effective block to a large tax bill next year than proposing other new tax initiatives.

Should USAs be Proposed?

Pros

- Continuity with last year's proposal
- Little of the current tax subsidies for saving go to lower-income Americans
- Forces additional saving, rather than merely providing a windfall for asset shifting
- Promotes wealth creation and saving for lower-income people
- Was generally well received by elite commentators

Cons

- Received no political traction on the Hill
 - Seen by many as a massive new entitlement program
 - Scored as an expenditure program by the CBO
- Treasury has very serious concerns about administration and costs, which could be more substantial as the size of accounts decreases
- Forces families to save when they would prefer to increase consumption of necessities, and which may well be their best use of the money
- Some recipients of subsidies have only temporarily low incomes and will be able to save more in the future, even without assistance
- According to Treasury's consultants, last year's plan would have cost about \$2 billion to establish and \$3-4 billion per year to run.
- Administrative costs might be reduced by limiting choice and reducing customer services, or by using existing account mechanisms, but the latter approach would make it easier for people to remove their money from the accounts, thus making them less effective at promoting retirement saving.

Budget Themes

The following are the principal themes for this year's budget: (1) Poverty relief and revitalizing communities; (2) education; (3) health; (4) provide AMT relief and simplify the income tax; (5) reduce work disincentives and marriage penalties; and (6) encourage saving.

Poverty Relief and Revitalizing Communities

A poverty package costing about \$30 billion over ten years could include:

- enhancing the EITC by:
 - providing targeted marriage penalty relief
 - moving the beginning of the phaseout range back for taxpayers with 3 or more children
 - reducing the phaseout rate for taxpayers with 2 or more children.
- doubling the size of last year's proposed New Markets tax credit
- extending the availability of tax benefits to existing empowerment zones and possibly increasing the number of empowerment zones,
- reducing the digital divide by providing tax incentives to improve access to computers and the internet in low-income areas,
- enhancing last year's budget proposal by indexing the caps for the low-income housing credit.

Education

Last year's education package could be enhanced by:

- Making higher education more affordable by:
 - accelerating the increase in the limit on qualified expenses eligible for the lifetime learning credit to \$10,000, and
 - for the first \$5000 for the first \$5000 from 20% to 30% credit, and
 - allowing a 10% credit for the second \$5,000.

We currently are reviewing and scoring other education tax incentives, including the possibility of making Hope Scholarships refundable.

Health

There are several possible options for increasing tax incentives for health care:

1. Provide targeted tax credits, including:
 - a tax credit for taxpayers purchasing COBRA coverage between jobs
 - a tax credit for Medicare buy-in by those age 55 – 64

- expansion of last year's budget proposal to provide tax credits for small businesses who purchase through coalitions
 - a tax credit for purchase of insurance in state high-risk pools
2. Increase the maximum amount of last year's proposed long term care credit from \$1000 to \$2000.
 3. Accelerate the current phase-in of the deduction of insurance by the self-employed.
 4. Alternatively, provide a tax credit for the purchase of health insurance outside the employer market.
 - This would address equity concerns regarding individuals not covered by employer-provided health insurance.
 - There is concern that, by reducing the incentive for employers to contribute to health insurance, this may disrupt the employer-provided health market and could actually decrease the number of insured over time.

Provide AMT relief and simplify the income tax

- We are reviewing several options to retarget the alternative minimum tax so that it applies to rich tax-aggressive people instead of middle income people with large families or those who use personal credits.
 - Without fixing this problem, over 15 million middle income taxpayers will become subject to the AMT over the next ten years and tens of millions more will have to undertake complex calculations. This ultimately could lead to calls for replacement of the current income tax.
 - Because more and more taxpayers become subject to the AMT over time, waiting to fix this problem will become cost prohibitive over time.
 - In 2002, more than half of those affected by the AMT will have AGIs under \$100,000.
 - The pattern of revenue losses matches the pattern of on budget surpluses (i.e., much larger in the out-years)
- Allow more taxpayers to use the 1040A or 1040EZ
- Reduce the number of itemizers by increasing the standard deduction. (This could cover both single and joint filers or be limited to marriage penalty relief, as discussed below).
- Increase small business expensing and otherwise simplify taxation for small businesses

Reduce Work Disincentives and Reduce Marriage Penalties

There are several options for reducing work disincentives and providing marriage penalty relief:

- Reduce marriage penalties for two-earner couples by providing joint filers a higher standard deduction.
 - Alternatively, a two-earner deduction or credit could be provided. This would be better targeted at reducing marriage penalties, but would be more complex.

- Also, as discussed above, we would reduce marriage penalties by providing a larger EITC for two-earner couples.
- Possibly enhance last year's budget proposal to increase the child and dependent care tax credit by making it refundable.
- Address widow poverty and repeal the Social Security earnings test

Encourage philanthropy

- Tax accounting could be simplified for foundations and provide them with needed flexibility by repealing the 1 percent excise tax on foundation income.
 - This will immediately translate into higher giving for foundations that are giving the minimum amount.
- We are studying other options to promote philanthropy.

Encourage Saving

- Encourage saving by low and moderate income taxpayers by targeted incentives, such as USAs, or an additional credit for contributions to IRAs and 401(k) type plans.
- Adopt the simplifications in Portman-Cardin.
- Encourage small employers to set up and maintain pension plans, and encourage them to make automatic contributions.
- Allow lower-income taxpayers to contribute a larger percentage of their earnings (although not a larger dollar amount) to employer pensions.

**Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages
Compared with Last Year's Package**

	Last year's Package	Size of USA			Paid For Package
		150	100	50	
Encourage saving					
USAs					
Automatic + matching	250.0	150	100		
Matching only	—			50	
Expand pension coverage	—	0.0			
Simplify pension rules	1.0	1.0			
subtotal	251.0	151.0	110.0	60.0	10.0
Poverty Relief and Revitalizing Communities					
Raise the EITC for families	—	13.7	13.7	13.7	0.0
Marriage Penalty Relief for EITC recipients	—	3.0	3.0	3.0	
New markets tax credit	2.0	2.0	2.0	2.0	2.0
Double the allocation	—	2.0	2.0	2.0	2.0
Better America Bonds	2.8	2.8	2.8	2.8	2.8
Digital Divide: Improve access to computers and the Internet (see also, education)	—				
Extend and expand empowerment zone incentives	—	4.0	4.0	4.0	4.0
Increase the cap for low-income housing credit	5.4	5.4	5.4	5.4	5.4
index the cap	—	0.3	0.3	0.3	0.3
subtotal	10.2	33.3	33.3	33.3	16.6
Education					
Expand the lifetime learning credit	—	10.8	10.8	10.8	
School construction	8.0	8.0	8.0	8.0	8.0
Encourage sponsorship of zone academies	0.1	0.1	0.1	0.1	0.1
Double and expand to include libraries and technology centers	—	0.1	0.1	0.1	0.1
Workplace literacy tax credit	0.5				
Modify and expand to include worker training and technology training	—				
Employer provided graduate education	0.4	0.4	0.4	0.4	0.4
Other proposals	1.0	1.0	1.0	1.0	1.0
Refundable HOPE and lifetime learning credits	—				
subtotal	10.0	22.5	22.5	22.5	11.7
Health Care					
Tax credit for COBRA continuation coverage	—				
Tax credit for purchase of insurance through State high-risk pools	—	1.3	1.3	1.3	1.3
Tax credit for long-term care expenses	14.2	14.2	14.2	14.2	14.2
Increase to \$2,000	—	8.2	8.2	8.2	8.2
Tax credit for disabled workers	1.7	1.7	1.7	1.7	1.7
Tax credit for small business health coalitions	0.1	0.1	0.1	0.1	0.1
Double and expand	—	0.3	0.3	0.3	0.3
Accelerate full deductibility for self-employed health insurance	—				
15 percent credit for nonemployer health insurance	—				
25 percent credit for Medicare buyin	—				
subtotal	16.0	35.8	35.8	35.8	35.8

Simplify the Income Tax

<i>Ease burden of AMT on middle class (see menu of options)</i>	--				
<i>Reduce the number of people with income-tax liability</i>	--				
<i>Allow more taxpayers to use the 1040A or 1040EZ</i>	--	0	0	0	0
<i>Reduce the number of itemizers (see marriage penalty)</i>	--				
<i>Encourage electronic filing</i>	--				
<i>Simplify taxation for small businesses</i>	--				
Other simplification proposals	1.0	1.0	1.0	1.0	1.0
subtotal	1.0	7.0	38.0	43.0	6.0

Reduce Work Disincentives and Marriage Penalties

<i>Marriage penalty relief options</i>					
<i>Higher standard deduction for two-earner couples</i>					
<i>Higher standard deduction for two-earner couples (phased in)</i>	--				
<i>Two-earner deduction effective 2001</i>	--	--	--	--	--
<i>Standard deduction for couples twice that of singles effective 2001</i>	--	--	--	--	--
Child and dependent care tax credit	12.9	12.9	12.9	12.9	12.9
<i>Refundable credit</i>	--	8.1	8.1	8.1	0.0
<i>Repeal Social Security Earnings Test (tax effect only) *</i>	--	-2.3	-2.3	-2.3	-2.3
<i>Reduce 15% rate to 14%</i>	--	--	--	--	--
subtotal	12.9	38.7	53.7	98.7	30.6

Encourage Philanthropy

<i>Reduce excise tax on foundations</i>	--	4.0	4.0	4.0	4.0
<i>Above the line deduction for nonitemizers</i>	--				
subtotal	--	4.0	4.0	4.0	4.0

Climate change	8.9	8.9	8.9	8.9	8.9
Other provisions	10.0	18.8	13.8	13.8	16.4
Total	320.0	320.0	320.0	320.0	140.0

Key

All numbers in billions of dollars

New proposals are in italics

<i>Place in shaded cells, unless otherwise indicated</i>
--

* Would reduce the off-budget surpluses

Options and Approximate 5- and 10-Year Cost (in Billions)

5 years 10 years

Encourage saving

USAs

 Automatic + matching

 Matching only

Expand pension coverage

Simplify pension rules

5
9

Poverty Relief and Revitalizing Communities

Raise the EITC for families

5.8 13.7

Marriage Penalty Relief: Larger EITC for two-earner couples

1.4 3.0

New markets tax credit

1.0 2.0

Double the allocation

1.0 2.0

Better America Bonds

0.6 2.8

Digital Divide: Improve access to computers and the internet (see also, education)

0.1 0.1

Extend and expand empowerment zone incentives

2.0 4.0

Increase the cap for low-income housing credit

1.0 5.4

index the cap

0.0 0.3

Education

Expand the lifetime learning credit

6.0 10.8

School construction

2.4 8.0

Encourage sponsorship of zone academies

0.1 0.1

Double and expand to include libraries and technology centers

0.1 0.1

Workplace literacy tax credit

0.1 0.5

Modify and expand to include worker training and technology training

2.0 2.0

Employer provided graduate education

0.4 0.4

Other proposals

0.4 1.0

Refundable HOPE and lifetime learning credits

10.0 24.9

Health Care

Tax credit for COBRA continuation coverage

4.5 10.0

Tax credit for purchase of insurance through State high-risk pools

0.5 1.3

Tax credit for long-term care expenses

5.6 14.2

Increase to \$2,000

3.4 8.2

Tax credit for disabled workers

0.7 1.7

Tax credit for small business health coalitions

0.1 0.1

Double and expand

0.1 0.3

Accelerate full deductibility for self-employed health insurance

2.1 2.1

15 percent credit for nonemployer health insurance

→ 10.0 50.0

25 percent credit for Medicare buyin

Simplify the Income Tax

Ease burden of AMT on middle class

<i>personal exemption and standard deduction through 2001</i>	2.9	2.9
<i>personal exemptions as of 2002, index starting in 2006</i>	13.9	88.9
<i>personal credits, exemptions, std. ded., index as of '01</i>	18.7	103.4
<i>extend personal credits</i>	5.3	28.8

Reduce the number of people with income tax liability

Allow more taxpayers to use the 1040A or 1040EZ

Reduce the number of itemizers (see marriage penalty)

Encourage electronic filing

Simplify taxation for small businesses

Other simplification proposals

Reduce Work Disincentives & Marriage Penalties

Marriage penalty relief options

<i>Higher standard deduction for two-earner couples</i>	14	29.5
<i>Higher standard deduction for two-earner couples (phased in)</i>	4.3	16.6
<i>Two-earner deduction effective 2001</i>	62.1	140.3
<i>Standard deduction for couples twice that of singles effective 2001</i>	25.6	55.8
<i>Larger EITC for two-earner couples</i>	1.4	3.0
<i>Child and dependent care tax credit</i>	5.8	12.9
<i>Refundable credit</i>	2.9	8.1
<i>Tax credit for employer child care centers</i>	0.5	1.4
<i>Repeal Social Security Earnings Test (tax effect only) *</i>	-0.9	-2.3
<i>Reduce 15% rate to 14%</i>	131.9	254.7

Encourage Philanthropy

<i>Reduce excise tax on foundations</i>	1.8	4.0
<i>Above the line deduction for nonitemizers</i>		

Climate change 3.4 8.9

Other provisions from FY 2000 Budget 2.3 8.6

Other Provisions that Have Not Been Scored

Vaccines

Exclusion for telecommuting expenses

Telecom taxes

Excluding teacher pay from gross income

Reforestation incentives

50% capital gains exclusion for land sold to conservation organizations

Expansion of Brownfield tax incentives
Modify estate tax conservation easement rules
Children's savings accounts
Section 415
Tax exemptions for civil rights awards
Modifying the allocation on Better America Bonds
Expanding the disabled worker tax credit
FMLA tax credit
Homestead tax credits
Tax incentives for first-time homebuyers

Key

All numbers in billions of dollars

New proposals are in italics

~~Placeholders or guesstimates are shaded~~

* Would reduce the off-budget surpluses

Hypothetical Tax Package

- | | | |
|----|--------------|-------------------------------|
| 1. | Poverty | \$30 (in billions of dollars) |
| 2. | Education | \$10 |
| 3. | Middle Class | \$40 |
| 4. | Health Care | \$35 |
| 5. | AMT | \$25 |
| 6. | Philanthropy | \$10 |
| 7. | Savings Plug | \$100 |

\$250

**Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package**

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Encourage saving						
USAs/Pensions						
USA	250.0	150				
Expand pension coverage / simplify rules	--		95			
Matching credit only	--			50		
Tax credit for IDAs			5.0			
Simplify pension rules	1.0	1.0	1.0	1.0		
Total	251.0	151.0	101.0	51.0		
Poverty Relief and Revitalizing Communities						
EITC relief for families						
(1) 3kid plateau allowance; (2) 2-earner allowance; (3) slower phaseout for 2 kids	--	16.7			7.2	16.7
(1) higher credit rate for 3kids (\$500 increase in max credit) plus (2) and (3)	--		19.2	19.2	8.3	19.2
Child and dependent care tax credit	12.9	12.9	12.9	12.9	5.8	12.9
Refundable credit	--				2.9	8.1
Tax credit for employer child care centers	1.4	1.4	1.4	1.4	0.5	1.4
New markets tax credit	2.0	2.0	2.0	2.0	1.0	2.0
Double the allocation	--	2.0	2.0	2.0	1.0	2.0
Better America Bonds	2.8	2.8	2.8	2.8	0.6	2.8
Digital Divide:						
Improve access to computers and the internet	--	0.1	0.1	0.1	0.1	0.1
Encourage sponsorship of zone academies	0.1	0.1	0.1	0.1	0.1	0.1
Double and expand to include libraries and technology centers	--	0.1	0.1	0.1	0.1	0.1
Workplace literacy tax credit	0.5				0.1	0.5
Modify and expand to include worker training and technology training	--	4	4	4	2	4
Extend and expand empowerment zone incentives	--	4.0	4.0	4.0	2.0	4.0
Increase the cap for low-income housing credit	5.4	5.4	5.4	5.4	1.0	5.4
Index the cap	--	0.3	0.3	0.3	0.0	0.3
Total	25.1	51.9	54.4	54.4		

Refundable etc

Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
 Compared with Last Year's Package

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Education						
Expand the lifetime learning credit	--	10.8	10.8	10.8	6.0	10.8
Refundable credit						50.0
School construction	8.0	8.0	8.0	8.0	2.4	8.0
Employer provided graduate education	0.4	0.4	0.4	0.4	0.4	0.4
Other proposals	1.0	1.0	1.0	1.0	0.4	1.0
Total	9.4	20.2	20.2	20.2		
Health Care						
Tax credit for COBRA continuation coverage	--				6.1	15.8
* Tax credit for purchase of insurance through State high-risk pools	--				0.5	1.3
Tax credit for long-term care expenses	14.2	14.2	14.2	14.2	5.6	14.2
Increase to \$2,000	--	8.2	8.2	8.2	3.4	8.2
Refundable credit						
Tax credit for disabled workers	1.7	1.7	1.7	1.7	0.7	1.7
Tax credit for small business health coalitions	0.1	0.1	0.1	0.1	0.1	0.1
Double and expand	--	0.3	0.3	0.3	0.1	0.3
15 percent credit for nonemployer health insurance	--				30.0	50.0
25 percent credit for Medicare buyin	--					
[25] percent credit for expenses up to age-adjusted cap						
Total	16.0	24.5	49.5	74.5		

*Transition population / workforce
pick up some*

10

Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Simplify and Cut Taxes						
<i>Ease burden of AMT on middle class</i>						
(1) personal exemption and standard deduction through 2001	--	2.9			2.9	2.9
(1) + phase in indexing starting in [2007]	--		29.3	29.3		29.3
(1) + indexing in 2000+2001						37.0
(1) + indexing in 2001						23.0
dependent exemptions in excess of [1]	--					30.0
<i>Reduce returns that file schedules B&D</i>						
Raise thresholds for Schedule B	--	0	0	0	0.0	0.0
Allow simplified mutual funds (no schedule D)						
Encourage electronic filing	--			4	4.0	4.0
Simplify taxation for small businesses	--			2	2.0	2.0
Other simplification proposals	1.0	1.0	1.0	1.0	1.0	1.0
Total	1.0	3.9	30.3	36.3		
Middle Class Tax Relief						
Raise the standard deduction by \$250 for single, \$500 for joint filers				40.0	18.0	40.0
<i>Marriage penalty relief options</i>						
Higher standard deduction for two-earner couples					14	29.5
Higher standard deduction for two-earner couples (phased in)	--				4.3	16.6
Standard deduction for couples twice that of singles effective 2001	--	--	--	--	25.6	55.8
Total	-	45.0	45.0	45.0		
Encourage Philanthropy						
Reduce excise tax on foundations	--	4.0	4.0	4.0	1.8	4.0
<i>Above the line deduction for nonitemizers</i>						
100% deduction over \$500 for single filers; \$1,000 for joint filers	--				18.9	43.3
50% deduction over \$500 for single filers; \$1,000 for joint filers	--			14.8	6.4	14.8
Total	-	4.0	4.0	18.8		

**Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package**

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Climate change	8.9	8.9	8.9	8.9	3.4	8.9
Other provisions	8.6	10.6	6.7	10.9	2.3	8.6
Grand Total	320.0	320.0	320.0	320.0		

Other Provisions that Have Not Been Scored

- Vaccines
- Exclusion for telecommuting expenses
- Telecom taxes
- Excluding teacher pay from gross income
- Reforestation incentives
- 50% capital gains exclusion for land sold to conservation organizations
- Expansion of Brownfield tax incentives
- Modify estate tax conservation easement rules
- Children's savings accounts
- Section 415
- Tax exemptions for civil rights awards
- Modifying the allocation on Better America Bonds
- Expanding the disabled worker tax credit
- FMLA tax credit
- Homestead tax credits
- Tax incentives for first-time homebuyers

Key

All numbers in billions of dollars

New proposals are in italics

Placeholders or guessimates are shaded

*Would reduce the off-budget surpluses

Facebook
proven five

ASU

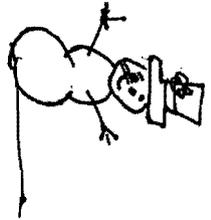
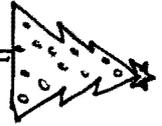
~~ASU~~



BAR @ MARKET

Immuno

Immuno suppressive



INNOVATOR

ISSUES

• How Does THIS INVESTMENT Compare to Health Care Investment

OTHER

SPENDING Amount for

SH - 15\$

R.

Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Encourage saving						
USAs/Pensions						
USA	250.0	150				
<i>Expand pension coverage / simplify rules</i>	--		95			
<i>Matching credit only</i>	--			50		
<i>Tax credit for IDAs</i>			5.0			
<i>Simplify pension rules</i>	1.0	1.0	1.0	1.0		
Total	251.0	151.0	101.0	51.0		
Poverty Relief and Revitalizing Communities						
EITC relief for families						
<i>(1) 3kid plateau allowance; (2) 2-earner allowance; (3) slower phaseout for 2 kids</i>	--	16.7			7.2	16.7
<i>(1) higher credit rate for 3kids (\$500 increase in max credit) plus (2) and (3)</i>	--		19.2	19.2	8.3	19.2
Child and dependent care tax credit	12.9	12.9	12.9	12.9	5.8	12.9
<i>Refundable credit</i>	--				2.9	8.1
Tax credit for employer child care centers	1.4	1.4	1.4	1.4	0.5	1.4
New markets tax credit	2.0	2.0	2.0	2.0	1.0	2.0
<i>Double the allocation</i>	--	2.0	2.0	2.0	1.0	2.0
Better America Bonds	2.8	2.8	2.8	2.8	0.6	2.8
Digital Divide:						
<i>Improve access to computers and the internet</i>	--	0.1	0.1	0.1	0.1	0.1
Encourage sponsorship of zone academies	0.1	0.1	0.1	0.1	0.1	0.1
<i>Double and expand to include libraries and technology centers</i>	--	0.1	0.1	0.1	0.1	0.1
Workplace literacy tax credit	0.5				0.1	0.5
<i>Modify and expand to include worker training and technology training</i>	--	4	4	4	2	4
<i>Extend and expand empowerment zone incentives</i>	--	4.0	4.0	4.0	2.0	4.0
Increase the cap for low-income housing credit	5.4	5.4	5.4	5.4	1.0	5.4
<i>index the cap</i>	--	0.3	0.3	0.3	0.0	0.3
Total	25.1	51.9	54.4	54.4		

30 points

40. share

Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Education						
Expand the lifetime learning credit	--	10.8	10.8	10.8	6.0	10.8
Refundable credit						50.0
School construction	8.0	8.0	8.0	8.0	2.4	8.0
Employer provided graduate education	0.4	0.4	0.4	0.4	0.4	0.4
Other proposals	1.0	1.0	1.0	1.0	0.4	1.0
Total	9.4	20.2	20.2	20.2		
Health Care						
Tax credit for COBRA continuation coverage	--				6.1	15.8
X Tax credit for purchase of insurance through State high-risk pools	--				0.5	1.3
① Tax credit for long-term care expenses	14.2	14.2	14.2	14.2	5.6	14.2 - current
Increase to \$2,000	--	8.2	8.2	8.2	3.4	8.2
Refundable credit						?
② Tax credit for disabled workers	1.7	1.7	1.7	1.7	0.7	1.7
② Tax credit for small business health coalitions	0.1	0.1	0.1	0.1	0.1	0.1
Double and expand	--	0.3	0.3	0.3	0.1	0.3
15 percent credit for nonemployer health insurance	--				30.0	50.0
25 percent credit for Medicare buyin	--					
③ [25] percent credit for expenses up to age-adjusted cap						
Total	16.0	24.5	49.5	74.5		

Almost all will now have it

1.3

14.2 - current

?

cost? no refundable difficult sell

political problem

\$16
+ \$25
or \$35

\$900
50,000
45,000,000
\$5 - 124,160

200,000

16
16
5
21

\$16 - carrying

26 → COBRA + Medicare Buy In

42

+ 35 → 15% for credit

77

37

Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Simplify and Cut Taxes						
<i>Ease burden of AMT on middle class</i>	--					
(1) personal exemption and standard deduction through 2001	--	2.9			2.9	2.9
(1) + phase in indexing starting in [2007]	--		29.3	29.3		29.3
(1) + indexing in 2000+2001	--					37.0
(1) + indexing in 2001	--					23.0
dependent exemptions in excess of [1]	--					30.0
Reduce returns that file schedules B&D						
Raise thresholds for Schedule B	--	0	0	0	0.0	0.0
Allow simplified mutual funds (no schedule D)	--					
Encourage electronic filing	--			4	4.0	4.0
Simplify taxation for small businesses	--			2	2.0	2.0
Other simplification proposals	1.0	1.0	1.0	1.0	1.0	1.0
Total	1.0	3.9	30.3	36.3		
Middle Class Tax Relief						
Raise the standard deduction by \$250 for single, \$500 for joint filers				40.0	18.0	40.0
Marriage penalty relief options						
Higher standard deduction for two-earner couples					14	29.5
Higher standard deduction for two-earner couples (phased in)	--				4.3	16.6
Standard deduction for couples twice that of singles effective 2001	--	--	--	--	25.6	55.8
Total	-	45.0	45.0	45.0		
Encourage Philanthropy						
Reduce excise tax on foundations	--	4.0	4.0	4.0	1.8	4.0
Above the line deduction for nonitemizers						
100% deduction over \$500 for single filers; \$1,000 for joint filers	--				18.9	43.3
50% deduction over \$500 for single filers; \$1,000 for joint filers	--			14.8	6.4	14.8
Total	-	4.0	4.0	18.8		

**Approximate Ten-Year Revenue Cost for Some Illustrative Tax Cut Packages (in Billions)
Compared with Last Year's Package**

	Last year's Package	Size of USA / Pension			5- and 10-year Cost	
		150	100	50	5 years	10 years
Climate change	8.9	8.9	8.9	8.9	3.4	8.9
Other provisions	8.6	10.6	6.7	10.9	2.3	8.6
Grand Total	320.0	320.0	320.0	320.0		

Other Provisions that Have Not Been Scored

- Vaccines
- Exclusion for telecommuting expenses
- Telecom taxes
- Excluding teacher pay from gross income
- Reforestation incentives
- 50% capital gains exclusion for land sold to conservation organizations
- Expansion of Brownfield tax incentives
- Modify estate tax conservation easement rules
- Children's savings accounts
- Section 415
- Tax exemptions for civil rights awards
- Modifying the allocation on Better America Bonds
- Expanding the disabled worker tax credit
- FMLA tax credit
- Homestead tax credits
- Tax incentives for first-time homebuyers

Key

All numbers in billions of dollars

New proposals are in italics

Placeholders or guesstimates are shaded

* Would reduce the off-budget surpluses

File 65-67
①

CONCERNS ABOUT RAISING THE MEDICARE ELIGIBILITY AGE

PROPOSAL

- Extend the eligibility age for Medicare from 65 years old to 67 years old. This provision would be phased in one month at a time, so that it would be fully implemented in the year 2027. The goal is to extend the life of the Medicare Trust Fund.

CONCERNS

- **Different than Social Security.** Social Security gives people who retire before eligibility a portion of their benefits, so that postponing eligibility age has less of an impact. Medicare gives nothing to early retirees.

- **Would increase the number of uninsured.**

Many 65 to 67 year olds have low-income. In 1997, an estimated 525,000 Medicare beneficiaries aged 65 to 67 have neither Medicare nor Medigap and income is below \$25,000. Another 1.2 million beneficiaries have similar income but purchase Medigap.

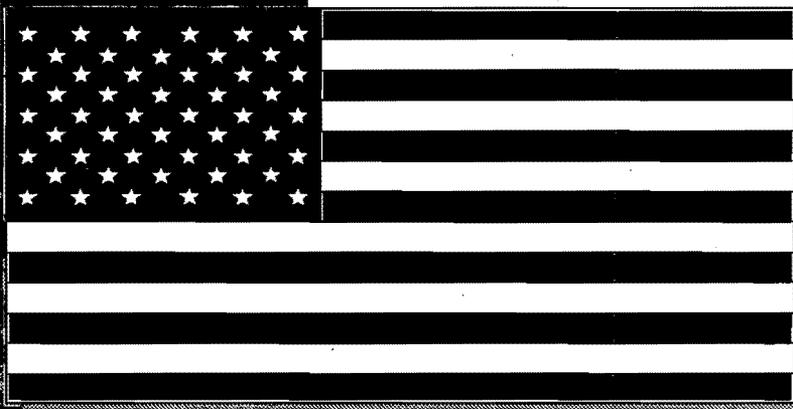
If the Medicare eligibility age were raised to 67, these Medicare beneficiaries will likely be unable to afford insurance. This could increase the number of uninsured Americans by 1.75 million, or 5 percent, according to a preliminary Urban Institute analysis.

Few affordable alternatives. Today, 60 to 64 year olds rely the most on the individual insurance market. In this market, insurers may consider health and age in setting premiums, making it more expensive than group coverage. For the 65 to 67 year olds, this insurance may be prohibitively expensive.

Retiree coverage is shrinking. Between 1993 and 1995, the proportion of employers offering coverage for early retirees dropped by 10%. This means that fewer of the 65 to 67 year olds waiting for Medicare eligibility will have employer coverage.

- **No policies to address access problem.** The Senate bill contains no provisions that would assist people waiting longer for Medicare to find affordable health coverage.

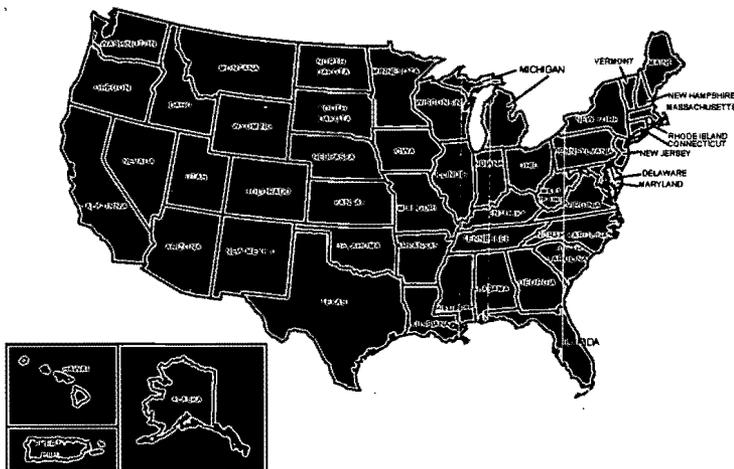
REPORT TO THE PRESIDENT



PROVIDING NEW HEALTH INSURANCE OPTIONS FOR AMERICANS AGES 55 TO 65

THE MEDICARE EARLY ACCESS ACT OF 1998

STATE-BY-STATE ANALYSIS



MEDICARE EARLY ACCESS ACT OVERVIEW

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Increasing number of vulnerable Americans.** The number of people ages 55 to 64 is expected to increase by 60 percent, from 21 million Americans today to 35 million by 2010.
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **Fewer to no insurance options for millions of Americans.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. About 5 million, or 22 percent of 55 to 65 year olds, are either uninsured or rely on frequently expensive individual insurance; 3 million have no insurance at all.

As a result of the Health Insurance Portability and Accountability Act, people leaving group health insurance, under certain circumstances, have guaranteed access to individual insurance policies and are guaranteed renewal of policies. However, there is no limit to how much these policies can cost and individuals who haven't had group policies don't receive these protections. As a consequence, many Americans, particularly those who have a pre-existing condition, find it difficult to impossible to find affordable insurance. Specifically, they:

- Can be denied policies in 38 states (where 16 million or 76 percent of 55-65 year olds live)
- Have no protections against pre-existing condition exclusions in 20 states (where 8 million or 36 percent of 55 to 65 year olds live)
- Have no upper limits for premiums in 34 states, and have no protections against higher rates due to health status in 40 states.

In addition, a new study to be released on March 18 by the Kaiser Foundation confirms that the individual insurance market cannot be relied upon to offer affordable insurance to all Americans. It documents insurance practices that result in denials of coverage, excessive premiums, and geographic variation, especially for older and sicker people. It reports that a 60-year old, healthy man in an average cost area could pay up to \$535 per month for coverage; if he lived in a high-cost area and had health problems, this premium could be over twice as high (250 percent of the standard premium, or over \$1,000 per month) -- or be denied coverage altogether.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act expands health insurance choices so that:
 1. **People ages 62 to 65** without access to group insurance can buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off can buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired can buy into the employer's health plan through "COBRA" coverage.
- **Helps 300,000 to 400,000 Americans.** The Congressional Budget Office recently confirmed Administration estimates that hundreds of thousands of older Americans will be helped by these new choices.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

PEOPLE AGES 55 TO 65 AND THE INDIVIDUAL HEALTH INSURANCE MARKET

STATE	PEOPLE AGES 55 TO 65			INDIVIDUAL INSURANCE MARKET		
	Uninsured & Individually Insured	All People	Percent	No Guaranteed Issue	Allows Pre-existing Condition Exclusion	No Premium Rate Restriction
U.S.	4,612,700	21,104,900	22%	38	20	34
Alabama	85,500	385,200	22%	X	X	X
Alaska	7,161	30,409	24%	X	X	X
Arizona	62,300	318,300	20%	X	X	X
Arkansas	63,200	212,900	30%	X	X	X
California	611,500	2,299,400	27%	X		X
Colorado	66,100	279,200	24%	X	X	X
Connecticut	50,900	267,300	19%	X		X
Delaware	10,900	66,000	16%	X	X	X
D.C.	7,700	52,100	15%	X	X	X
Florida	372,100	1,310,200	28%	X		X
Georgia	114,900	522,300	22%	X		X
Hawaii	12,400	98,600	13%	X	X	X
Idaho	21,500	101,500	21%			
Illinois	163,600	999,200	16%	X	X	X
Indiana	80,600	432,700	19%	X		X
Iowa	67,700	255,100	27%			
Kansas	37,100	186,500	20%	X	X	X
Kentucky	66,200	316,800	21%			
Louisiana	85,000	354,000	24%	X		
Maine	21,900	114,600	19%			
Maryland	85,800	386,300	22%	X		X
Massachusetts	88,400	482,500	18%			
Michigan	113,500	696,900	16%	X		X
Minnesota	80,000	395,500	20%	X		
Mississippi	60,400	212,000	28%	X		X
Missouri	83,400	451,600	18%	X	X	X
Montana	19,500	73,300	27%	X		X
Nebraska	42,100	128,000	33%	X	X	X
Nevada	25,600	134,600	19%	X	X	X
New Hampshire	22,300	92,400	24%			
New Jersey	123,000	638,700	19%			
New Mexico	31,700	132,400	24%	X		X
New York	308,800	1,497,600	21%			

STATE	PEOPLE AGES 55 TO 65			INDIVIDUAL INSURANCE MARKET		
	Uninsured & Individually Insured	All People	Percent	No Guaranteed Issue	Allows Pre-existing Condition Exclusion	No Premium Rate Restriction
North Carolina	129,000	645,900	20%	X	X	X
North Dakota	18,500	50,200	37%	X		
Ohio	180,600	928,500	19%			X
Oklahoma	65,000	277,500	23%	X	X	X
Oregon	44,600	261,000	17%	X		
Pennsylvania	162,800	1,033,600	16%	X	X	X
Rhode Island	15,900	82,700	19%	X		X
South Carolina	63,600	320,200	20%	X		X
South Dakota	15,500	53,800	29%			
Tennessee	78,400	454,800	17%	X	X	X
Texas	421,900	1,340,700	31%	X	X	X
Utah	24,400	107,800	23%			
Vermont	11,400	45,600	25%			
Virginia	112,800	624,800	18%	X		X
Washington	65,100	369,800	18%			
West Virginia	33,100	169,300	20%	X	X	
Wisconsin	65,687	374,499	18%	X	X	X
Wyoming	11,600	40,100	29%	X		X

Rounded to the nearest 100

SOURCES:

Projected population: Census Bureau

Health insurance statistics: DHHS analysis of the March 1997 CPS; states: 3-yr average March CPS for 1995-1997

Health status for age groups: NCHS

Average health costs for age groups: Consumer's Union analysis, 1998

Probability of health problems: Gruber, 1997

State individual health insurance regulation: BlueCross BlueShield Association, State Legislature Health Care and Insurance Issues, 1997. January 1998.

General individual health insurance market: Chollet & Kirk. Understanding Individual Health Insurance Markets: Structure, Practices and Products in Ten States. Kaiser Family Foundation, March 1998.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP ALABAMA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Alabama has 385,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Alabama, 85,500 people who are 55 to 65** (22 percent) are either uninsured or rely on individual insurance; 48,500 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Alabama does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP ALASKA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Alaska has 30,409 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Alaska, 7,161 people who are 55 to 65 (24 percent) are either uninsured or rely on individual insurance; 5,546 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Alaska does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP ARIZONA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Arizona has 318,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Arizona, 62,300 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 43,900 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Arizona does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP ARKANSAS

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Arkansas has 212,900 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Arkansas, 63,200 people who are 55 to 65 (30 percent) are either uninsured or rely on individual insurance; 44,100 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Arkansas does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP CALIFORNIA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **California has 2,299,400 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In California, 611,500 people who are 55 to 65 (27 percent) are either uninsured or rely on individual insurance; 400,900 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. California does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP COLORADO

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Colorado has 279,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Colorado, 66,100 people who are 55 to 65 (24 percent) are either uninsured or rely on individual insurance; 28,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Colorado does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP CONNECTICUT

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Connecticut has 267,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Connecticut, 50,900 people who are 55 to 65** (19 percent) are either uninsured or rely on individual insurance; 30,900 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Connecticut does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP DELAWARE

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Delaware has 66,000 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Delaware, 10,900 people who are 55 to 65** (16 percent) are either uninsured or rely on individual insurance; 8,600 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Delaware does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP District of Columbia

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **D.C. has 52,100 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In D.C., 7,700 people who are 55 to 65 (15 percent) are either uninsured or rely on individual insurance; 5,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. D.C. does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP FLORIDA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Florida has 1,310,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Florida, 372,100 people who are 55 to 65 (28 percent) are either uninsured or rely on individual insurance; 230,900 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Florida does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP GEORGIA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Georgia has 522,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Georgia, 114,900 people who are 55 to 65 (22 percent) are either uninsured or rely on individual insurance; 84,300 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Georgia does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP HAWAII

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Hawaii has 98,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Hawaii, 12,400 people who are 55 to 65 (13 percent) are either uninsured or rely on individual insurance; 9,100 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Hawaii does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP IDAHO

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Idaho has 101,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Idaho, 21,500 people who are 55 to 65 (21 percent) are either uninsured or rely on individual insurance; 8,400 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP ILLINOIS

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Illinois has 999,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Illinois, 163,600 people who are 55 to 65 (16 percent) are either uninsured or rely on individual insurance; 96,700 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Illinois does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP INDIANA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Indiana has 432,700 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Indiana, 80,600 people who are 55 to 65 (19 percent) are either uninsured or rely on individual insurance; 42,300 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Indiana does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP IOWA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Iowa has 255,100 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Iowa, 67,700 people who are 55 to 65 (27 percent)** are either uninsured or rely on individual insurance; 21,700 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP KANSAS

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Kansas has 186,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Kansas, 37,100 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 25,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Kansas does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP KENTUCKY

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Kentucky has 316,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Kentucky, 66,200 people who are 55 to 65 (21 percent) are either uninsured or rely on individual insurance; 48,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP LOUISIANA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Louisiana has 354,000 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Louisiana, 85,000 people who are 55 to 65 (24 percent) are either uninsured or rely on individual insurance; 56,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Louisiana does not require individual insurers to offer coverage.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MAINE

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Maine has 114,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Maine, 21,900 people who are 55 to 65 (19 percent) are either uninsured or rely on individual insurance; 11,300 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MARYLAND

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Maryland has 386,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Maryland, 85,800 people who are 55 to 65 (22 percent) are either uninsured or rely on individual insurance; 53,800 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Maryland does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MASSACHUSETTS

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Massachusetts has 482,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Massachusetts, 88,400 people who are 55 to 65** (18 percent) are either uninsured or rely on individual insurance; 61,300 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MICHIGAN

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Michigan has 696,900 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Michigan, 113,500 people who are 55 to 65 (16 percent) are either uninsured or rely on individual insurance; 70,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Michigan does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MINNESOTA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Minnesota has 395,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Minnesota, 80,000 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 30,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Minnesota does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MISSISSIPPI

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Mississippi has 212,000 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Mississippi, 60,400 people who are 55 to 65 (28 percent) are either uninsured or rely on individual insurance; 29,300 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Mississippi does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MISSOURI

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Missouri has 451,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Missouri, 83,400 people who are 55 to 65 (18 percent) are either uninsured or rely on individual insurance; 51,800 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Missouri does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP MONTANA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Montana has 73,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Montana, 19,500 people who are 55 to 65 (27 percent) are either uninsured or rely on individual insurance; 10,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Montana does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEBRASKA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Nebraska has 128,000 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Nebraska, 42,100 people who are 55 to 65 (33 percent) are either uninsured or rely on individual insurance; 15,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Nebraska does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEVADA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- Nevada has 134,600 people ages 55 to 65.
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Nevada, 25,600 people who are 55 to 65** (19 percent) are either uninsured or rely on individual insurance; 18,400 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Nevada does not require individual insurers to offer coverage: does not limit pre-existing condition exclusions: and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEW HAMPSHIRE

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **New Hampshire has 92,400 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In New Hampshire, 22,300 people who are 55 to 65 (24 percent) are either uninsured or rely on individual insurance; 9,600 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEW JERSEY

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **New Jersey has 638,700 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In New Jersey, 123,000 people who are 55 to 65 (19 percent) are either uninsured or rely on individual insurance; 77,300 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEW MEXICO

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **New Mexico has 132,400 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In New Mexico, 31,700 people who are 55 to 65** (24 percent) are either uninsured or rely on individual insurance; 21,700 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. New Mexico does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NEW YORK

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **New York has 1,497,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In New York, 308,800 people who are 55 to 65 (21 percent) are either uninsured or rely on individual insurance; 219,000 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NORTH CAROLINA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **North Carolina has 645,900 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In North Carolina, 129,000 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 66,400 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. North Carolina does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP NORTH DAKOTA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **North Dakota has 50,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In North Dakota, 18,500 people who are 55 to 65 (37 percent) are either uninsured or rely on individual insurance; 3,500 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. North Dakota does not require individual insurers to offer coverage.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP OHIO

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Ohio has 928,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Ohio, 180,600 people who are 55 to 65 (19 percent)** are either uninsured or rely on individual insurance; 117,800 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Ohio does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP OKLAHOMA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Oklahoma has 277,500 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Oklahoma, 65,000 people who are 55 to 65 (23 percent) are either uninsured or rely on individual insurance; 40,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Oklahoma does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP OREGON

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Oregon has 261,000 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Oregon, 44,600 people who are 55 to 65 (17 percent) are either uninsured or rely on individual insurance; 22,400 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Oregon does not require individual insurers to offer coverage.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP PENNSYLVANIA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Pennsylvania has 1,033,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Pennsylvania, 162,800 people who are 55 to 65 (16 percent) are either uninsured or rely on individual insurance; 91,700 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Pennsylvania does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP RHODE ISLAND

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Rhode Island has 82,700 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Rhode Island, 15,900 people who are 55 to 65 (19 percent) are either uninsured or rely on individual insurance; 9,700 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Rhode Island does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP SOUTH CAROLINA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **South Carolina has 320,200 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In South Carolina, 63,600 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 39,400 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. South Carolina does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP SOUTH DAKOTA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **South Dakota has 53,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In South Dakota, 15,500 people who are 55 to 65 (29 percent) are either uninsured or rely on individual insurance; 4,900 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP TENNESSEE

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Tennessee has 454,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Tennessee, 78,400 people who are 55 to 65 (17 percent) are either uninsured or rely on individual insurance; 38,700 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Tennessee does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP TEXAS

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Texas has 1,340,700 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Texas, 421,900 people who are 55 to 65 (31 percent) are either uninsured or rely on individual insurance; 328,200 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Texas does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP UTAH

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Utah has 107,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Utah, 24,400 people who are 55 to 65 (23 percent) are either uninsured or rely on individual insurance; 17,500 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP VERMONT

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Vermont has 45,600 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Vermont, 11,400 people who are 55 to 65 (25 percent)** are either uninsured or rely on individual insurance; 6,100 have no insurance at all.
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP VIRGINIA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Virginia has 624,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Virginia, 112,800 people who are 55 to 65 (18 percent) are either uninsured or rely on individual insurance; 79,900 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Virginia does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP WASHINGTON

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Washington has 369,800 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Washington, 65,100 people who are 55 to 65 (18 percent) are either uninsured or rely on individual insurance; 37,100 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP WEST VIRGINIA

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **West Virginia has 169,300 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In West Virginia, 33,100 people who are 55 to 65 (20 percent) are either uninsured or rely on individual insurance; 25,700 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. West Virginia does not require individual insurers to offer coverage and does not limit pre-existing condition exclusions.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP WISCONSIN

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Wisconsin has 374,499 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Wisconsin, 65,687 people who are 55 to 65 (18 percent) are either uninsured or rely on individual insurance; 34,780 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Wisconsin does not require individual insurers to offer coverage; does not limit pre-existing condition exclusions; and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.

MEDICARE EARLY ACCESS ACT: HOW IT WILL HELP WYOMING

PROBLEM THAT DEMANDS IMMEDIATE ACTION

- **Wyoming has 40,100 people ages 55 to 65.**
- **Greater risk of health problems.** People ages 60 to 64 are nearly three times more likely to report fair to poor health as those ages 35 to 44. Even compared to those age 45 to 54, people ages 55 to 65 have average health costs 25 percent higher and are twice as likely to experience heart disease, emphysema, heart attack, stroke or cancer.
- **In Wyoming, 11,600 people who are 55 to 65 (29 percent) are either uninsured or rely on individual insurance; 4,500 have no insurance at all.**
- **Fewer affordable health insurance options.** Employer-based coverage drops by about 10 percent for people ages 55 to 65, leaving a higher proportion either uninsured or purchasing individual health insurance. Individual insurance can often be inaccessible or unaffordable. Wyoming does not require individual insurers to offer coverage and does not restrict premiums that insurers can charge.

NEW, RESPONSIBLE, PAID-FOR CHOICE FOR VULNERABLE AMERICANS

- **New choices:** The Early Access to Medicare Act allows:
 1. **People ages 62 to 65** without access to group insurance to buy into Medicare;
 2. **Workers ages 55 and older** who lose their insurance when their firm closes or they are laid off to buy into Medicare; and
 3. **Retirees ages 55 and older** whose employers drop their retiree health coverage after they have retired to buy into the employer's health plan through "COBRA" coverage.
- **Financed through premium payments:** People ages 62 to 65 will pay premiums through a two-part "payment plan" that enables them to buy into Medicare at an affordable premium while ensuring that the buy-in option is self-financing in the long run. Participants will pay about \$300 per month until age 65, and about \$10 to 15 per month per year of participation once they turn 65 (until they turn age 85). Displaced workers age 55 and older will pay a premium of about \$400 per month, higher than the average cost to compensate for sicker participants. And, retirees buying COBRA pay 125 percent of their former employer's active workers' premiums.

NO HARM TO MEDICARE

- **Paid for by premiums as well as anti-fraud and overpayment reforms.** Premium payments from people benefitting from the buy-in cover virtually all of the costs of the new option. Any short-fall — due mostly to the delay in the post-65 premium collection — is fully paid for by new savings from reducing Medicare fraud, waste and overpayments.
- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is totally walled off from that of current Medicare beneficiaries through a separate Trust Fund.