
(February 10, 2006) U.S. HOUSE DELEGATION RELEASES REPORT

U.S. HOUSE DELEGATION RELEASES REPORT SHOWING HIGH COSTS FOR CHICAGOLAND UNDER MEDICARE DRUG PLAN

Medicare Drug Plans Continue to Plague Chicago Beneficiaries, Advocates, Pharmacists

CHICAGO, IL -- U.S. Representatives Danny Davis, Rahm Emanuel, Luis Gutierrez, Jesse Jackson Jr., Dan Lipinski, Bobby L. Rush, and Jan Schakowsky, Chicago's delegation in the House of Representatives, today released a report produced by the House Government Reform Committee's Democratic staff exposing that the new Medicare drug benefit has failed to provide drug discounts for Chicago residents. Representatives Schakowsky, Rush, and Lipinski hosted a hearing today with advocates, beneficiaries, and medical professionals who outlined their ongoing concerns about the Medicare drug benefit's implementation around Chicago.

Representative Schakowsky said, "Republicans crafted this so-called benefit to protect the profits of drug and insurance companies instead of seniors and the disabled. Turning the Medicare benefit over to private drug plans is not just complicated and confusing, it's incredibly costly. We must create a uniform, Medicare-administered benefit that offers affordable drugs by giving Medicare the power to negotiate for lower costs."

Representative Rush noted that, "this report further validates the mass confusion the new Medicare prescription drug benefit program has created as a result of partisan interest rather than the best interest of the people," said Rush. "We have a serious problem in this nation when our insurance companies and the pharmaceutical industry are giving free reign to author legislation, which in this case, gravely impacts our seniors. Only a month into the implementation phase, it's evident that Medicare reform is in order so our seniors can have access to affordable drugs."

"The Medicare prescription drug program has proven an unmitigated disaster: it is too complicated, too expensive, and has even left some seniors without their life-saving medications. At the two dozen informational seminars I have held for seniors, my heart has gone out to all those who are understandably bewildered by the program," added Lipinski.

"When the Medicare drug benefit was being crafted, Congress had a real opportunity to reign in the cost of prescription drugs. We could have allowed for the importation of safe and affordable prescription drugs, for the Secretary of HHS to directly negotiate with the drug companies for lower prices and included meaningful provisions to help generics get to the market quicker" said Mr. Emanuel. "This report clearly demonstrates that the Republican Congress missed an opportunity to lower prescription drug prices in a meaningful way for our seniors."

"This report illustrates what happens when Republicans use heavy-handed tactics and arm twisting to pass misguided, special interest-supported legislation -- they end up leaving our nation's seniors twisting in the wind and out in the cold," Gutierrez said. "We need a prescription drug program that actually works for seniors, and not one that just pads the

profits of drug companies. We need to rewrite the law in a way that makes sense, and that starts with eliminating the indefensible law that prohibits Medicare from negotiating with the drug companies on behalf of Chicago seniors."

According to the report, prescription drug prices in Chicago are 80% higher under the new Medicare prescription drug benefit than they are under prices negotiated by the federal government at other agencies like the Veterans' Administration. Even the drug prices for the same drugs at Drugstore.com and Costco were cheaper than the drugs available under the Medicare drug benefit. Medicare is prevented from negotiating with the drug companies to lower costs under the 2003 law.

Advocates, beneficiaries, and medical professionals reported other difficulties that the Medicare benefit is presenting. Some of those who have enrolled have been unable to get their drugs as they transition to their new plans, or because they are not shown in the system as being enrolled. Millions of beneficiaries have yet to choose a plan because they remain unable to decide between dozens of options without the support of independent counselors. A month and a half into the enrollment period, the confusion remains.

Representative Schakowsky is an original sponsor and Representatives Lipinski and Emanuel are co-sponsors of H.R. 752, the Medicare Prescription Drug Savings and Choice Act, which would provide a uniform, Medicare-administered drug benefit that allows Medicare to negotiate with the drug companies to keep prices down. Schakowsky is also an original sponsor and Reps. Rush, Lipinski, Gutierrez, and Emanuel are co-sponsors of H.R. 3861, the Medicare Informed Choice Act, which would give beneficiaries an additional six months to choose a plan.