

Press Release

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SCHAKOWSKY VOWS TO FILL GAP IN COVERAGE FACING MEDICARE DRUG PLAN BENEFICIARIES WITH SAVINGS

Responds to new report on Part D's costly "doughnut hole"

WASHINGTON, DC -- U.S. Representatives Jan Schakowsky (D-IL), Marion Berry (D-AR), and Darlene Hooley (D-OR) joined Campaign for America's Future Co-Director Robert Borosage to release a new report on the gap in coverage facing Medicare beneficiaries enrolled in the new Part D plans. Seniors and people with disabilities whose annual drug costs are between \$2,250 and \$5,100 will be forced to pay the full fees for their prescription drugs when they fall into their plans "doughnut hole." The average beneficiary will fall into the "doughnut hole" on September 22 this year.

Representative Schakowsky's full statement is below:

We all support including a drug benefit in Medicare - but it must be affordable. In crafting this benefit, the Republicans had a choice: they could allow Medicare to negotiate for lower drug prices like the VA does, or they could shift costs to seniors and people with disabilities.

They chose to side with the drug companies. That's why seniors and disabled people are confronting the doughnut hole - something not seen in any other public or private policy. A gap in coverage that leaves them to pay thousands of dollars on their own - all the while paying premiums for a benefit they are not receiving.

And they will fall into the doughnut hole every year - not just the first year. 85% of plans have a donut hole. Only 15% -- the ones with the highest premiums - don't.

The average senior will fall into the doughnut hole on Friday, September 22. It won't be Friday the 13th but it will be a day of enormous bad luck for those whose monthly incomes are simply not enough to pay a premium plus 100 percent of all their drug costs.

It will be a day of not of eager anticipation but of dread - since many senior citizens and people with disabilities have friends who have already fallen into the donut hole.

Unfortunately, the first time those in the doughnut hole will realize their insurance company has abandoned them is when they go to the pharmacy - prepared to pay their copay only to find out they are on the hook for the entire cost.

Frank Furfaro, in Poughkeepsie, went to his pharmacist expecting to pay his normal copay of \$25. He was confronted with a \$661 bill. It's a shock but it's even more than that. A study by the New England Journal of Medicine said drug benefit caps - and this is a cap for those who will never climb out of the donut hole - make seniors sicker, result in more costly emergency room visits and hospital costs, and cause 22% more deaths for those who cannot afford to take life-saving drugs.

It is also a serious problem for older women - single and married - whose incomes are too high to qualify for extra assistance but too low to pay the combined costs of premiums and 100% of their drugs. There are many one-income couples who are desperately trying to figure out how they can pay for the costs of two sets of premiums and two doughnut holes.

My constituents, David and Marcella Crown, wrote to me about their experience. They wanted to know why, with the USA being the "world's wealthiest nation," they got handed a donut hole even after they felt they had been forced to enroll in order to avoid late enrollment penalties.

This drug plan was already needlessly expensive before the doughnut hole hit. Dave and Sharyn Madison from Denver paid \$1,307 under the plan for Dave's oral chemotherapy drug. They thought that was expensive, until they hit the doughnut hole and their monthly co-pay more than doubled to \$2,587 for that one drug.

Marion Berry and I think we can do better. Our bill, H.R. 752, the Prescription Drug Savings and Choice Act, would take a new direction by siding with seniors, not the drug companies. We would let seniors and disabled people enroll in a Medicare-administered drug benefit. We would force drug companies to lower their prices by requiring that Medicare negotiate for deep discounts, like the VA. And we would fill in the doughnut hole with the savings.