

May 15, 2006

Emanuel, Schakowsky, Lipinski, Davis, Durbin Mark Medicare Rx Deadline for Millions of Seniors, Call on Congress to Pass Medicare Prescription Drugs Savings and Choice Act

CHICAGO, IL - Today marks the deadline for Medicare beneficiaries to enroll in the Administration's Medicare prescription drug benefit without being penalized. Senator Dick Durbin, and Representatives Rahm Emanuel, Jan Schakowsky, Danny Davis, Dan Lipinski, and seniors and advocates held a press conference to discuss ways to improve the prescription drug benefit so that both seniors and taxpayers receive a fair deal.

"Today marks the official deadline for enrollment into the Bush Administration's Medicare Prescription drug plan, yet millions of beneficiaries have not yet enrolled. And as a result, millions of seniors will be needlessly taxed for a benefit plan that seems to only benefits drug companies and HMOs," said Emanuel. "As the deadline comes and goes, it is now more important than ever that we improve the program. We must allow Medicare to directly negotiate with the pharmaceutical companies for lower drug prices, saving billions for seniors and taxpayers."

"Because President Bush and Congressional Republicans stubbornly refused to extend the arbitrary enrollment deadline, one million beneficiaries will be denied coverage this year and millions will have to pay financial penalties that will increase throughout their lifetimes. With a benefit that was constructed by and for the drug companies, all beneficiaries continue to pay unnecessarily high prices under their plans. We must now fix Part D by creating a uniform benefit that requires Medicare to negotiate with the drug companies for lower prices, like the VA does," said Schakowsky.

This year, the House Government Reform Committee minority released a report showing that the drug prices offered by the 10 leading Medicare drug plans are: 80% higher than the prices negotiated by the federal government, 60% higher than prices in Canada, and 3% higher than at Costco. The Medicare Prescription Drugs Savings and Choice Act would lower those prices dramatically and pass the savings on to seniors.

"We can use good old fashioned negotiating power to achieve savings since the laws of economics say that if one buys in bulk, the price will come down," said Durbin. "The Medicare Prescription Drug Savings Act would ensure that Medicare beneficiaries receive the benefits of their purchasing power."

The Medicare Prescription Drugs Savings and Choice Act, introduced by Representative Schakowsky and Senator Durbin would instruct the Secretary of Health and Human Services to offer a nationwide, Medicare administered, drug plan in addition to the plans being offered by the private insurers. The legislation would also require that HHS negotiate with the drug

companies for lower prices, like the Veterans Administration does.

For months, the members of the Chicago delegation called on the President to extend the Medicare deadline to give seniors and people with disabilities more time to navigate the confusing and chaotic program without having to face a financial penalty. Despite the Congressional Budget Office estimates that an extension would have allowed for an additional one million seniors to enroll, the Bush Administration refused.

"At the more than three dozen informational seminars I have held for seniors to help them with this program, my heart has gone out to all those who are understandably bewildered," Lipinski said. "It is unconscionable that Congress and the Administration have refused to act to change this program or even to give Seniors the benefit of extra time to sign up without a penalty."

"Spin and hype aside the sign up process for Part D has been a disaster. It is time to step back, listen to what seniors are saying and revise the program to meet the real needs of retirees," said Davis.