

May 8, 2006

SCHAKOWSKY JOINS SENIORS, ADVOCATES, HOUSE AND SENATE DEMOCRATS TO CALL FOR DRUG BENEFIT ENROLLMENT DEADLINE EXTENSION

Releases 10 Reasons to pass Medicare Informed Choice Act, Extend Deadline

WASHINGTON, DC - U.S. Representative Jan Schakowsky, an original sponsor of the Medicare Informed Choice Act and the Medicare Prescription Drug Savings and Choice Act, delivered the following statement at an event in which seniors, advocates, and House and Senate Democrats called on the President and Congress to extend the Medicare drug benefit enrollment deadline:

The Republicans and President Bush, the Salesman in Chief for their Prescription Drug Plan, are obviously have one hard time making the sale by Monday, their self-imposed deadline. Fully half of their potential customers, seniors and persons with disabilities who were uninsured for medicines last year, still have not purchased a plan.

I thought we could help them understand their problem, so let's conduct a customer survey. Answer these questions so they can hear you.

Could it be that one reason 10 millions seniors and person with disabilities have not bought a Prescription Drug plan is that it's an extremely defective product?

Could it be that it's far too confusing, too expensive, too full of -- doughnut holes?

Could there be better proof that the plan is too complicated than the fact that even Sec. Leavitt's parents, with his help, got it wrong, and had to change plans or possibly lose their retiree health benefits?

Do you think it's a problem that the instruction manual is wrong, that the advertising was wrong, that the Medicare hotline gives out the wrong answers about the best plan 60% of the time?

Could it be that there are simply not enough independent counselors to help people choose among the dozens of plans all offering different drugs and conditions?

Could the fact that the Pharmaceutical Companies rather than Medicare beneficiaries wrote the plan insuring themselves huge profits be part of the problem?

Could it be that millions of retired and disabled Americans resent having to pay a stiff lifetime penalty if they don't sign up in the next 120 hours?

Thank you. I'm sure that will be helpful. But even more helpful is that we can offer a simple solution to their problem of lagging sales. It does not require a degree in marketing, and we are prepared to offer it free of charge, no fees, and no penalty.

Mr. President, if you want millions and millions of seniors to buy your product, you need do only two things, **EXTEND THE DEADLINE. FIX THE PLAN.**

Representative Schakowsky also released ten reasons to pass the Stark-Schakowsky Medicare Informed Choice Act, which would extend the enrollment deadline until the end of the year.

10 Reasons Why Congress Should Extend the May 15th Deadline by Passing H.R. 3861, the Medicare Informed Choice Act

1. To increase enrollment. Half of the senior citizens and persons with disabilities who were uninsured for prescription drug coverage last year still have not enrolled in 2006. According to a recent Families USA report, 3 out of 4 low-income seniors eligible for assistance have not signed up. The non-partisan Congressional Budget Office says that more than 1 million seniors and disabled persons would enroll in Part D in 2006 if the initial enrollment period were extended.

2. To prevent unfair, lifetime penalties. Medicare's 43 million beneficiaries given just 9 months to navigate a complicated program with dozens of private plans. Those who haven't been able to figure it out are about to be punished with a permanent late enrollment penalty - higher premiums for life. The non-partisan Congressional Budget Office estimates that 7.5 million senior citizens would avoid a lifetime of higher premiums if we extend the deadline to give them more time.

3. To be fair. CMS has already extended the deadline and eliminated the late enrollment period for low-income beneficiaries (individuals up to \$14,355 and couples up to \$19,245). Why shouldn't everyone be protected and given time to make an informed choice? Why should having an income just \$10 above an arbitrary threshold result in a penalty?

4. To protect retiree benefits. HHS Secretary Leavitt's own parents enrolled in a Part D plan without knowing it could jeopardize their retiree health benefits. Luckily, they found out before May 15 and could correct the mistake. Why shouldn't everyone's parents be given the ability to protect their benefits?

5. To extend a deadline that almost half of seniors don't even know about. An April Kaiser Family Foundation survey found that 44% of seniors didn't know the date of the May 15 deadline and 47% didn't know about the late enrollment penalty. Nevertheless, they may face significant penalties because of what they don't know.

6. To make sure that seniors and disabled people have time to get accurate information. From the official Medicare and You 2006 handbook to Administration materials in *Parade* magazine, senior citizens and disabled people have been given wrong information. The nonpartisan Government Accountability Office report (May 3, 2006) found that senior citizens and disabled people who called the 1-800 Medicare hotline either received no answer to their questions or received an answer that was incomplete, inaccurate or inappropriate. On the critical question of which plan offered the lowest costs for their drugs, the hotline was incomplete, inaccurate or inappropriate nearly 60% of the time.

7. To give the time needed to make the right choice. In April, the Kaiser Family Foundation asked seniors how well they understood the new Part D benefit - 22% said "not too well," 31% responded "not well at all." 46% said they didn't have enough information to understand how it would affect them personally. Yet, in many parts of the country, independent counselors are completely booked and unable to make more appointments. There are reports that materials

are not available in translation or in proper formats. The GAO report found many seniors were unable to rely on written materials but that 5% of calls to the hotline went unanswered and 25% required waits of over 25%. Don't we want every senior citizen and person with disability to have complete and accurate information in order to make the right choice?

8. To give the time needed to correct the wrong choice. Many senior citizens and persons with disabilities have been enrolled in multiple plans or the wrong plan. Others have been pressured into enrolling in a Medicare HMO instead of a stand-alone drug plan. Still others have enrolled in a plan after being told that their drug is covered only to find out that they have to go through step therapy or lengthy prior approval requirements to get the medication their doctor prescribed. Some complain that the costs of their drugs have increased or are higher than the information on the Medicare website and want to switch to more affordable coverage. Yet, after May 15, most will be locked into paying premiums for a plan that doesn't meet their needs because they are unable to make a switch.

9. To avoid scam artists. Medicare, state attorneys general, and consumer groups have been warning seniors and persons with disabilities against scam artists. As the deadline approaches, fraudsters will be even more active. Feeling the pressure to enroll before May 15, seniors are more susceptible to identity thieves and crooks.

10. To give Congress time to fix Part D. The Part D benefit is expensive, confusing and completely inadequate because was designed around the interests of the pharmaceutical and insurance industries instead of the needs of senior citizens and persons with disabilities. Medicare should be required to negotiate for drug savings - like the VA - not prohibited from doing so and the savings should be used to eliminate the donut hole. A drug benefit should cover the drugs prescribed by doctors not drugs on a list set by an insurance company. The drug benefit should be part of Medicare.