

February 10, 2005

ALLEN, BERRY, SCHAKOWSKY INTRODUCE BILL TO KEEP DRUG PRICES DOWN

MEDICARE TAB JUMPS, HIGH DRUG PRICES A FACTOR

WASHINGTON, D.C. - {WASHINGTON, DC - U.S. Representatives Tom Allen (ME), Marion Berry (AR) and Jan Schakowsky (IL) announced today that they have again introduced the Medicare Prescription Drug Savings Act, legislation to create a nationwide Prescription Drug Plan (PDP) within Medicare. □ □ □

□ Among other changes to the Medicare Reform bill, the Allen-Berry-Schakowsky bill requires the Secretary of HHS to negotiate with pharmaceutical manufacturers for lower-priced prescription drugs for seniors and people with disabilities by harnessing the bargaining power of millions of Medicare beneficiaries. □ The bill also creates an additional choice for seniors and the disabled: a meaningful nationwide prescription drug plan operated through Medicare. □ Representatives Allen, Berry and Schakowsky introduced similar legislation in the 108th Congress. □ Illinois Senator Richard Durbin will also introduce the bill today in the Senate.

"The new cost estimates of the Medicare drug benefit show it was a massive mistake to prohibit Medicare from using its purchasing power to negotiate for lower prices. □ Even Bush's former HHS secretary Tommy Thompson said his biggest regret was that he wasn't given 'the opportunity to negotiate.' □ But it's not too late to correct that mistake. □ Our bill would give seniors what they want, lower cost prescription drugs provided through Medicare, and taxpayers what they deserve, the best deal by requiring Medicare to negotiate for the deepest discounts, much like the VA" said Schakowsky.

□ "Our legislation provides a common sense means to rein in to the skyrocketing cost of the new Medicare Reform law's prescription drug benefit, confirmed yesterday by the Bush Administration's revised estimate nearly doubling its price tag to \$1.2 trillion over ten years," Representative Allen said. □ "We know that in Canada, the European Union, Japan and other industrialized nations, pharmaceutical companies charge a fraction of what they charge American seniors for the same prescription drugs. □ Why? □ The governments in those countries act on behalf of their citizens to bring drug prices down. □ The Allen-Berry-Schakowsky bill uses the purchasing power of 40 million Medicare recipients to negotiate lower prices, saving billions of dollars for taxpayers who foot the bill under the law passed in 2003." □

"Those who voted for the Medicare Reform bill claimed competition would lower the prices of seniors' prescription drugs - this plan lets those people put their money where their mouths are," Berry said. "The foundation of this bill is to allow Medicare to compete with the private plans last year's bill created. We believe because the government has no profit motive and a proven track-record of lower administrative costs than the private sector,"

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"Medicare will be able to negotiate the lowest prices for prescription drugs. If private plans are, in fact, better cost-savers, then consumers can select them; we just wanted to provide seniors with another choice - a nationwide drug plan offered by Medicare, not an insurance company."

The Medicare reform legislation passed in 2003 prohibited the federal government from negotiating drug prices with manufacturers. Without the power to negotiate on behalf of more than 40 million Medicare beneficiaries, the Representatives Allen, Berry, Schakowsky and others in Congress have contended that the cost of the program would be untenable. Just yesterday, the Administration nearly doubled its estimate cost of the 2003 Medicare Reform law's prescription drug benefit from about \$530 billion to \$1.2 trillion

"On Monday, the President submitted a \$1.7 trillion budget for FY 06 with a deficit projected to break last year's record of \$412 billion," Representative Allen said. "As today's reports reveal, the new prescription drug law will add hundreds of billions in additional red ink. Our legislation will make Medicare stronger, rein in spending to reduce the burden passed on to future generation and make the Medicare law a fairer deal for America's seniors."

"Once again the President of the United States has betrayed the trust of the American people in order to score a political victory," Berry added. "The President delivers a budget and omits key spending, presents Medicare reform while hiding its true costs, and promises sweeping education reform and drastically under-funds the program. Every time an issue comes up calling for meaningful debate, this President withholds facts, threatens his dissenters and twists arms in order to score a quick political victory."

The legislation now waits to be reported to a committee by the Republican leadership.