

DECEMBER 8, 2003

**SCHAKOWSKY: BUSH ADMINISTRATION'S MISSTATEMENT OF THE DAY -  
MEDICARE PRESCRIPTION DRUG BILL**

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) issued today's "Bush Administration's Misstatement of the Day" on the Medicare bill signed today by President Bush. ( [Read Schakowsky's reaction to the bill signing](#) )

The Center for American Progress released a report today titled "Claim v. Fact: Medicare Bill Signing." For example:

President Bush said, *"For the first time we are giving seniors peace of mind that they will not have to face unlimited expenses for their medicine."* [ [George W. Bush 12/08/03](#) ]

However, according to the [New York Times \(12/7/03\)](#) : *"[The] Medicare drug plan could further limit coverage by establishing a list of preferred medicines known as a formulary... Medicare would not have to pay anything for drugs left off the list...if a beneficiary bought drugs not listed on the formulary, the bill says, those costs would not be counted toward the \$3,600 limit."*

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**Claim v. Fact: Medicare Bill Signing**  
(Center for American Progress)

**Claim:**

"A lot of this happened -- this bill happened because of grassroots work. A lot of our fellow citizens took it upon themselves to agitate for change, to lobby on behalf of what's right" [ [George W. Bush 12/08/03](#) ]

**Fact:**

"Drug companies and their trade associations deployed nearly 700 lobbyists to stamp out any proposals that would result in the federal government negotiating the cost of drugs or otherwise limiting the industry's astronomical profits." [ [Public Citizen Report, 06/03](#) ]

**Claim:**

"Some older Americans spend much of their Social Security checks just on their medications. Some cut down on the dosage to make a bottle of pills last longer. Elderly Americans should not have to live with those kinds of fears and hard choices. This new law will ease the burden on seniors and will give them the extra help they need." [ [George W. Bush 12/08/03](#) ]

**Facts:**

"[U]nder the new plan, seniors in the middle income quintile will pay an average of \$1,650 a year in out-of-pocket expenses for prescription drugs in 2006. This figure is nearly 60 percent more than they paid in 2000, even after adjusting for inflation. Expenses are projected to continue to rise so that by 2013 middle-income seniors will be paying more than two and a half times as much for prescription drugs (adjusting for inflation) as they did in 2000." [ [CEPR Report, 12/04/03](#) ]

"[T]he insurance plan would provide little relief for about 3 million people with moderate assets and incomes near the poverty level and would cost seniors with drug expenses under \$835 a year more than they currently spend." [ [Boston Globe, 11/18/03](#) ]

**Claim:**

"For the first time we are giving seniors peace of mind that they will not have to face unlimited expenses for their medicine." [ [George W. Bush 12/08/03](#) ]

**Fact:**

"[The] Medicare drug plan could further limit coverage by establishing a list of preferred medicines known as a formulary... Medicare would not have to pay anything for drugs left off the list...if a beneficiary bought drugs not listed on the formulary, the bill says, those costs would not be counted toward the \$3,600 limit." [ [NYT, 12/07/03](#) ]

**Claim:**

"Bill Novelli, the CEO of AARP, stood strong in representing the people he was supposed to represent." [ [George W. Bush 12/08/03](#) ]

Fact:□

"A poll last week by Hart Research showed that 65 percent of AARP members want Congress to go back to the drawing board." [ [Alameda Times Star, 12/06/03](#) ]

Claim:

"[T]his legislation is a victory for all of America's seniors." [ [George W. Bush 12/08/03](#) ]

Facts:□

"Corporate lobbying groups are emerging as winners, having pushed hard for a bill in order to shift some of their costs to the government...companies can opt in, taking the proposed tax-free federal subsidy and shifting some costs to the government, or opt out and possibly cut or eliminate their own coverage altogether, a trend that is already under way." [ [WSJ, 11/18/03](#) ]

"For the drug industry, the legislation is good news...Drug makers believe individual private buyers are less able to push down prices than a centralized government purchaser with a pool of 40 million patients." [ [WSJ, 11/18/03](#) ]

"A substantial number of the 6.4 million low-income Medicare beneficiaries who also are eligible for Medicaid and currently receive prescription drug coverage through Medicaid would be made worse off under the Medicare conference agreement." [ [Center of Budget and Policy Priorities Report, 11/21/03](#) ]

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"Millions of Medicare beneficiaries have bought private insurance to fill gaps in Medicare. But a little-noticed provision of the legislation prohibits the sale of any Medigap policy that would help pay drug costs after Jan. 1, 2006, when the new Medicare drug benefit becomes available."□ [ [NYT, 12/07/03](#) ]

"The Congressional Budget Office estimates about 2.7 million seniors could lose benefits that may be more generous than those that will be offered under Medicare."□ [ [USA Today, 11/25/03](#) ]

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