

*WASHINGTON, DC (March 11, 2011) – Sen. Dick Durbin (D-IL) and Rep. Jan Schakowsky (D-IL) introduced the Medicare Prescription Drug Savings and Choice Act of 2011, H.R. 999 in the House of Representatives and S. 560 in the Senate. Ranking members of the House who have co-sponsored: Rep. Henry Waxman (D-CA), Rep. George Miller (D-CA) and Rep. Pete Stark (D-CA). Senate co-sponsors include Sen. Daniel (D-HI), Sen. Bernie Sanders (I-VT), and Sen. Sherrod Brown (D-OH).*

The Medicare Prescription Drug Savings and Choice Act would create one or more Medicare-administered prescription drug plans to compete with the expensive, privately administered prescription drug plans currently offered under Medicare Part D. The bill would require the Secretary of Health and Human Services to negotiate lower drug prices.

The legislation would help protect seniors and individuals with disabilities by providing an alternative to the confusing private prescription drug plans, marketing practices, and formulary changes that have made deciphering among Part D plans very difficult. The prescription plan (or plans) administered by Medicare would not eliminate the private plans that are currently offered but, by providing competition, would put downward pressure on the drug costs in private plans as well.

“Our legislation offers an alternative to the unchecked private prescription plans in Medicare Part D,” says Schakowsky. “By giving HHS negotiating power, seniors and people with disabilities would see lower drug prices through an alternative public plan. And they would no longer have to worry about their needed medications being dropped from their plan’s formulary during the year. Part D beneficiaries would finally have security, simplicity, and savings, and the

overwhelming hassle of dealing with private plan changes during annual Part D enrollment time would no longer be the only option.

“Importantly, this legislation has the potential for enormous savings to Medicare beneficiaries, but it would also reduce our country’s deficit. Those who are serious about deficit reduction should jump at the chance to reap potential savings of about \$20 billion per year.”

“When Congress passed the Affordable Care Act last year, we made significant improvements to the Medicare Part D program,” said Durbin. “The bill I am introducing today with Representative Schakowsky would make yet another improvement to the Medicare prescription drug benefit. Our bill would save taxpayer dollars by giving Medicare beneficiaries the choice to participate in a Medicare Part D prescription drug plan run by Medicare, not private insurance companies. Seniors want the ability to choose a Medicare-administered drug plan. Let’s give them this option – just as they have this choice with every other benefit covered by Medicare.”

**Key provisions of the Medicare Prescription Drug Savings and Choice Act:**

- The Medicare-operated drug plan(s) would be available nationwide with a uniform monthly premium.

- The Secretary would negotiate with drug companies on the prices of drugs provided through the Medicare-operated drug plan(s).

- The Secretary would be required to create a drug formulary for the Medicare-operated drug plan(s) that promotes safety, appropriate use of drugs, and value.

- The Agency for Healthcare Research and Quality would assess the clinical effectiveness and safety of drugs and recommend drugs that should be included on the formulary. Drugs listed on the formulary could not be removed during the year except in the case of safety concerns; however, drugs with clinical benefits could be added.

- For drugs that provide similar benefits, the formulary would use incentives (such as lower co-payments) to encourage Medicare beneficiaries to choose the drug for which the Secretary of HHS was able to negotiate the lowest price.

- An Advisory Committee would review petitions and make recommendations on whether to add drugs to the formulary.

- An appeals process would be established that is efficient, imposes minimal administrative burdens, and ensures timely procurement of non-formulary drugs or non-preferred drugs when medically necessary.

The bill is endorsed by the American Public Health Association, Center for Medicare Advocacy, Medicare Rights Center, SEIU, AFSCME, Families USA, Alliance for Retired Americans, National Committee to Preserve Social Security and Medicare, American Nurses Association, and the National Seniors Citizens Law Center.