

INTERVIEW WITH TOMMY THOMPSON, JAN SCHAKOWSKY

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TERRY KEENAN, GUEST HOST: "FOX on Top" of drugs on the cheap. Today marks the first day that seniors can sign up for those discount drug cards. Joining me now, Health and Human Services Secretary Tommy Thompson.

Mr. Secretary, welcome. Nice to have you with us.

TOMMY THOMPSON, HEALTH & HUMAN SERVICES SECY.: Thank you very much, Terry.

KEENAN: Well, it's just day one, any idea though what the response has been so far?

THOMPSON: The response has been overwhelming. We've had thousands and thousands of cases in which people have called in, and we feel that it is just going to get even better in the future. We expect right now that branded drugs will be down about 17 percent and generic drugs will be anywhere from 25 to 35 percent down.

KEENAN: At last count I think there were some 73 different card plans available.

THOMPSON: Yes.

KEENAN: That is complicated. And how can seniors figure out what is the best card for them?

THOMPSON: All they have to do is call up 1-800-Medicare. We have 1400 operators and receptionists who are waiting for those calls. We'll be able to give them up-to-date information and be able to tell them which is the best card for them, which gives them the best price and we will continue to do that. We have a Web page that has all this information on, plus we are also

going to have individual experts in the community of all the seniors to be able to give them information at the senior centers, we give them assistance, give them information, and help them enroll.

KEENAN: Seventeen percent, a pretty good discount, but you know what the critics say, they say, I can get it cheaper in Canada for most of these drugs. And in fact even online, some Web sites like Drugstore.com often offer drugs at similar discounts. What do you say to those critics?

THOMPSON: We have a lot of drug cards that do nothing but online and on the Web sites. And we feel when we can make the comparisons that those drug cards that sell online through Medicare have lower prices. We made the comparisons, when you compare apples with apples, drug card to drug card, online, ours are still relatively cheaper.

KEENAN: And what about compared to Canadian drugs?

THOMPSON: Well, we can't certify that the Canadian drugs or any drugs coming in from -- into the United States from outside are safe. We know, therefore, we can't make sure that they are going to be giving the recipients the kind of treatment they want.

KEENAN: And of course, in most cases they are American drugs developed with our American research dollars that are making this round trip back to the States. You know, some people are also concerned that seniors might think that these cards replace their insurance cards if they have private insurance. That is not the case, is that correct?

THOMPSON: That is correct.

KEENAN: And so, people should not drop any sort of individual prescription care insurance.

THOMPSON: No, they shouldn't. But these drug cards are going to be extremely helpful, especially to low-income seniors because they're going to get a \$ 600 credit this year and a \$ 600 credit next year, plus, those drug companies have indicated to us that once those \$ 600 is used up that they will be able to give those branded drugs free of charge to the low-income seniors. So it's a great deal for those under 135 percent of poverty, Terry.

KEENAN: And as we look at the president there in Kalamazoo, Michigan, on his bus tour through that swing state, just finally, Mr. Secretary, if you could give seniors a little bit of information on the timetable, because this gets a little complicated, you can't use these cards until June 1, is that correct?

THOMPSON: That is correct. And we are telling seniors to do the window-shopping, make the comparisons because drug prices are continuing to go down and we expect that they will continue to go down next week and the week after.

KEENAN: All right, thanks for joining us, we appreciate it. Good to have you with us.

THOMPSON: Thank you, Terry.

KEENAN: Secretary Tommy Thompson.

Well, now for the other side of this equation, our next guest says that these prescription drug cards do little to help our seniors. Joining me now from our Chicago bureau is Democratic congresswoman Jan **Schakowsky** of Illinois.

And Congresswoman, nice have you with us as well. The way the secretary lays it out, it sounds pretty good, 17 percent discount, 35 percent on generic drugs. What is wrong with this?

REP. JAN **SCHAKOWSKY** (D), ILLINOIS: Well, you raised a number of the concerns that I have. Actually if you look at Canada and other countries, the prices are about 60 percent lower. If you go online, as you pointed out, prices are about the same as with the discount card. And the Veterans Administration, who negotiates for lower prices, you see deep discounts there.

So, for many people, this is not going to be much of a help. I would recommend, too, that seniors first look and see if their states have a plan. Illinois, for example, has an Illinois Buyers Club that offers a much better card. Every drug is covered.

What the secretary didn't mention is that not every drug is covered on every card. And you are stuck with that card for a year. But the people that offer the drug cards can change what is on the plan every week. They can change the formula. They can say the drug you have this week isn't covered next week. So you re stuck.

KEENAN: So lots of confusion in this plan. But you know, you mentioned the negotiation that the Veterans Administration does for its prescription drug plan, yet the Medicare bill specifically prohibits that type of negotiation. So that -- Congress would have to fix that to get your way, is that correct?

SCHAKOWSKY: Well, that is absolutely right. This is a provision that was really written by the pharmaceutical industry to prohibit Medicare, on behalf of its 34 million beneficiaries, to negotiate for lower prices, it is simply outrageous. And with the inflation in drug prices every year, you re going see seniors very disappointed in how much these cards really affect the cost of drugs for them.

KEENAN: Yes, but doesn't every little bit help? I mean, people carry around cards that give them down at Starbucks or discount at their super market, it s still double-digit percentage cuts here?

SCHAKOWSKY: That is if the drug is covered, if the pharmacy will accept that card. But you were wise to point out people should not drop their insurance policy. This is not an insurance benefit. And if they have something that covers prescription drugs, don t get rid of it. I think that this is barely scratching the surface. And maybe if people surf the Internet they would find even deeper discounts. And if they are buying from Canada, they can certainly get cheaper drugs.

KEENAN: Do you think the numbers are eventually going to tell the story when we learn how many seniors sign up for these cards?

SCHAKOWSKY: Well, I think even those who sign up may find themselves to be pretty disappointed. They are going to buy the card they think for one year, actually it's only going to be good until January. Certainly, if they find out in the middle of the year that they need a prescription and then that drug is not covered, when they go to pay for it at the pharmacy, they're going to be, I think, pretty angry that this discount card is not doing what it is supposed to do.

KEENAN: All right, thanks for giving us your perspective on it. We appreciate it.

SCHAKOWSKY: Thank you. KEENAN: Congresswoman Jan **Schakowsky** of Illinois.