



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Partisan attacks on Medicare prescription drug benefit
Da: Wednesday, Nov. 1, 2006

Sen. Chuck Grassley, chairman of the Senate Finance Committee, with jurisdiction over the Medicare program, was instrumental in the development of Medicare's first-ever prescription drug benefit. Today he made the following comment on partisan attacks in Iowa and elsewhere on the prescription drug benefit.

"It's a shame but not a surprise to hear Democrats demagoging the Medicare prescription drug benefit. That's as predictable around a November election as the leaves falling from the trees.

"The bottom line is this. Tens of thousands of Iowans can now afford their prescription medicines. Remember, only a year or two ago, the news was about people choosing between food and medicine and splitting their pills in half. Now the news is Iowans have Medicare prescription drug coverage for the first time in history. Republican congressional leadership delivered that coverage. Iowans have written to thank me for the prescription drug benefit. They've called it a godsend. They've told me they couldn't be happier. They've told me it cut their drug costs in half. I hope Iowans will tune out the partisan rhetoric as they drive to their local pharmacy to pick up a newly filled prescription.

"Now a couple of important points. Low-income individuals get additional assistance and don't have any kind of prescription coverage gap. They get complete coverage of their medicine with minimal copayments. Plans that offer coverage in the gap are available to all Iowa beneficiaries. This year, beneficiaries could enroll in a plan with coverage of both generic and brand name drugs in the gap for a monthly premium of \$38.70. The estimated premium for the standard plan was \$37, so for just \$1.70 more a month, a beneficiary could enroll in a plan without the gap.

"Premiums for plans with gap coverage are still a lot less than what a supplemental policy could have cost and they offer much better coverage. Before the Medicare prescription drug coverage, beneficiaries who wanted drug coverage had to get a supplemental policy that was often very expensive and sometimes unaffordable. People have much better options now.

"We looked hard at having Medicare's prescription drug program offer universal coverage with no gap, but that would have cost more than \$400 billion over the next 10 years in addition to the program's already very significant cost and led to higher premiums for all beneficiaries. It might have priced people out of any coverage at all. The Washington Post reported just today that the

House Democrats have dropped filling the gap from their agenda. The Medicare prescription drug program may not be perfect, but beneficiaries now can get affordable prescription drug coverage, and they can choose a plan, including a plan with gap coverage, that best meets their needs.”