



For Immediate Release
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**BAUCUS PRAISES CMS FOR SWIFT ACTION TO IMPLEMENT
MEDICARE PRESCRIPTION DRUG DISCOUNT IN 2011**

**Finance Chairman Hails Discount Agreement which Pharmaceutical Manufacturers
Will Have to Sign to Get Medicare's Business**

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) applauded the Centers for Medicare and Medicaid Services (CMS) today for taking timely steps to implement a 50 percent discount in 2011 on prescription drugs to help fill in the coverage gap under the Medicare Prescription Drug Benefit, also known as the “donut hole.” CMS today released draft rules for a discount agreement that the nation’s drug companies will have to sign if they want to do business with the 46 million seniors covered by the Medicare program. Baucus played a critical role closing the coverage gap in the Medicare Prescription Drug Program as part of his efforts to pass health care reform, including this first step of offering a 50 percent discount for seniors.

“Today we took the first steps toward cutting the price of prescription drugs in half for seniors who fall into the coverage gap in the Medicare drug program,” said Baucus. **“As Congress intended, this agreement assures drug companies who want to do business with 46 million seniors will have to offer a 50 percent discount for those in the coverage gap next year. This discount is the first step we put in place as part of our commitment in health reform to fill this ‘donut hole’ and provide complete coverage for seniors in the Medicare prescription drug program.”**

Baucus drafted the provision in the health reform law filling the donut hole by 2020 and ensured that seniors will get help paying for the drugs they need as the gap is closed. The health care reform law covers products of pharmaceutical manufacturers in the Medicare Part D drug program if manufacturers agree to provide 50 percent of the cost of brand name drugs when seniors hit the Medicare Part D donut hole. The discount will be administered at the point-of-sale when beneficiaries obtain their medications through pharmacies or mail order. Beneficiaries who are enrolled in stand-alone drug plans or Medicare Advantage will also receive the discounts. Health reform also provides seniors with an extra \$250 if they reach the coverage gap in 2010.

In addition, CMS issued final guidance on the Medicare Coverage Gap Discount Program for Part D drug plans which clarifies that the 50 percent discount starting in 2011 does not interfere with negotiations between manufacturers and Part D plans over rebates and discounts of covered Part D drugs.

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