



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

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## Grassley Responds to Attacks on Medicare's Prescription Drug Benefit

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today responded to recent attacks on Medicare's prescription drug benefit. He sent the following "Dear Colleague" letter and fact sheet to his fellow Republican senators.

### **Medicare Drug Coverage Enables Several Million Seniors to Save on Their Prescription Drugs**

September 27, 2006

Dear Republican Colleague,

Over the past few weeks, opponents of the Medicare prescription drug benefit have stepped up their attacks against the program. These attacks follow the same pattern they have used since the ink was barely dry on the Medicare Modernization Act (MMA). Relying on caustic rhetoric and scare tactics, opponents have devoted their time to tearing down the benefit to the detriment of Medicare beneficiaries.

The program's detractors have been very consistent with their negative messages, as was demonstrated most recently in the *Washington Post* article entitled, "Millions of Seniors Facing Medicare Doughnut Hole." One hypothetical headline they'd probably not want to see is "**Medicare Drug Coverage Enables Several Million Seniors to Save on Their Prescription Drugs.**" But that hypothetical headline, along with attached points, is the plain and simple truth about the Medicare prescription drug benefit.

Medicare beneficiaries wanted and needed affordable prescription drug coverage. As Chairman of the Senate Finance Committee, I am proud of my involvement in accomplishing that goal.

Sincerely,

Charles E. Grassley  
Chairman

### **Facts on the Medicare Prescription Drug Benefit**

- **More than 38 million beneficiaries** – 90 percent – now have prescription drug coverage. **Nearly 23 million beneficiaries** enrolled in the Medicare drug benefit.
- Part D premiums are averaging **less than \$24 per month** – 40 percent lower than the projected \$37 per month premium.

- On average, beneficiaries enrolled in the prescription drug benefit are *saving \$1,100 a year*.
- Beneficiaries are overwhelmingly satisfied, with more than *80 percent of seniors surveyed expressing satisfaction* with their Medicare prescription drug plans.
- *Plans that offer coverage in the gap are available to every beneficiary in the nation*. Although plans that offer additional coverage have higher premiums than the standard Medicare prescription drug plan, the premiums are far less than premiums for a Medicare supplemental policy, which for many beneficiaries, was financially out of reach.
- Ten million beneficiaries with limited incomes have comprehensive coverage *with minimal copayments and no coverage gap*.
- PriceWaterhouseCoopers estimated that *only 8 percent of all beneficiaries* with coverage are in a plan with a donut hole and will spend enough to reach it.
- Prescription drug plans are *required by law* to give beneficiaries who reach the gap discounted prices on their medications.
- *Beneficiaries can get help paying for their prescriptions in the coverage gap*. The Centers for Medicare and Medicaid Services (CMS) publicly released tip sheets on where to find help in the gap, including: charitable programs, private and state pharmaceutical assistance programs, and continuing to access the plan's discounts by using your Medicare drug plan card.
- All beneficiaries with Medicare prescription drug coverage have *insurance against catastrophic prescription drug costs*.

Sources: Department of Health and Human Services, CMS, Kaiser Family Foundation, Healthcare Leadership Council, PriceWaterhouseCoopers