



For Immediate Release
May 2, 2007

Contact: Erin Shields
202-224-4515

**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding The Medicare Prescription Drug Benefit**

Earlier this year, the Medicare prescription drug program turned one year old. Like all one-year-olds, it grew at a rapid pace. And like all one-year-olds, it needs careful monitoring and guidance, to ensure that it matures properly.

The Book of Proverbs says that “Children’s children are a crown to the aged.” We are here today to see to what extent this one-year-old is a blessing to America’s seniors. And we are also here to see to what extent this one-year-old needs greater direction.

I have heard from many seniors in Montana and across the country about how pleased they are with the drug benefit. They are getting real help buying their medicines. Eighty percent of seniors are satisfied with the new benefit. That’s good. But it’s not good enough.

I have also heard from the seniors who are not satisfied. One out of every five seniors who enrolled in the benefit is not satisfied. Many were overwhelmed by the number of plans. Many were perplexed by the formularies. Or worse yet, many are still not able to afford medicines.

I helped to write the law. We on this committee can feel toward it much like a parent. And like any parent of an active one-year old, we need to spend a lot of time watching over the benefit as it develops. That is why I convened this hearing. It is time for us to hear how the drug benefit is working.

We are here today to identify the problems. And we are here today to begin solving them. The Finance Committee has an ongoing obligation to do oversight. And we have an obligation to ensure that the Medicare drug program works well for everyone.

I have heard disconcerting reports from people involved in the program. I have heard concerns about the program from seniors, from people who advocate for them, and from providers. We have representatives from each of those groups here today. We need to hear from folks who can share views from the front lines.

More than five million seniors without drug coverage did not enroll in the program. Many of them are eligible for the extra financial help in the program but may not know it. We need more outreach to them. We need to know what obstacles are standing between these seniors and the drug coverage that they need.

Are Medicare and private plans effectively reaching out to everyone? Are there unnecessary complications that we can simplify?

Also, choosing the best plan has proven to be a daunting task. The Centers for Medicare and Medicaid Services approved more plans than we anticipated. Some plans are using marketing tactics to attract seniors that may be inappropriate. And I've heard how difficult it is to analyze plans and compare premiums, copayments, deductibles, and formularies.

Let's make it easier. Seniors and those who counsel them have told me that they need tools to cut through the chaos to pick the best plan. Today, we will hear from one of these front-line advisors who helps seniors choosing plans every day.

The implementation of the program has also been rocky. For example, I've been closely monitoring the problems that the Social Security and Medicare administrators are having withholding drug plan premiums from Social Security checks. This option was meant to simplify the program. This option was intended to make it so that seniors would not have to worry about paying their premiums every month.

Instead, it has proven to be an administrative mess. And worse, it is causing real confusion and hardship for many seniors. Many have been incorrectly told that their coverage was canceled. And others have had too much money withheld.

And beneficiaries are not the only ones encountering challenges. Pharmacists are on the front lines in delivering prescription drugs to our seniors. When the benefit was rolled out last year, pharmacists made sure that seniors got the drugs that they needed, despite all the system's glitches. For that, we owe them a debt of gratitude.

It is troubling to me that many pharmacies are still having difficulty getting fair and timely compensation from drug plans. And I'm particularly concerned about smaller pharmacies in rural areas. If these pharmacies are forced to close, it will limit access for many seniors. I am glad that we have witnesses today who can tell us about these problems, as well.

The Finance Committee will be overseeing the Medicare drug benefit throughout the 110th Congress. Working together, Senator Grassley and I have set an aggressive agenda. We are going to spend a lot of time watching over the new benefit as it develops.

I thank all our witnesses for joining us today for this check-up of our program. We have raised the program through its infancy. Let's learn what we can do even better, as the program heads into its terrible twos.

###