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SENATORS CONTINUE ROBUST OVERSIGHT OF MEDICARE DRUG BENEFIT

Baucus, Grassley pleased with Social Security Administration use of funds to determine eligibility for low-income subsidy

Washington, DC- U.S. Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican Member Chuck Grassley (R-Iowa), today commented on new information from the Government Accountability Office (GAO) on the Social Security Administration's (SSA) successful implementation of aspects of the Medicare prescription drug benefit. Senators Baucus and Grassley helped to create the Medicare prescription drug benefit in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). That legislation tasked the SSA with implementing the low-income subsidy available under the drug benefit and with executing the change that makes Medicare Part B premiums income-related. The MMA gave \$500 million to SSA to accomplish these tasks. In a report released today, the GAO found that the overwhelming majority of the MMA funding was spent appropriately and that SSA was generally successful in implementing its responsibilities. GAO determined that SSA was largely in compliance with standards applied to federal spending as a result of the agency's policies and procedures. Most of SSA's expenditures went to hire new personnel or for contractors to carry out specific tasks. Senators Baucus and Grassley commended SSA for its hard work and promised continued strong oversight of administration of the drug benefit.

"The Medicare prescription drug benefit puts life-saving and life-sustaining medicines in the hands of seniors who need them. It is a good program, but good programs still need to be run well," said Baucus. **"Congress gave the Social Security Administration half a billion dollars to set up a system to deliver the low-income subsidy, and they spent it well. I'm pleased with GAO's findings and I look forward to continued responsible administration at SSA."**

Grassley said, **"It's good to see that the Social Security Administration used the money Congress gave it to implement the Medicare prescription drug program as intended. The agency made sure to exercise oversight so the money wasn't wasted. It was important to figure out how best to deliver the subsidy to low-income seniors so they could get appropriate coverage. The agency rose to the occasion."**

Baucus and Grassley requested the GAO conduct a review of SSA's spending as part of their ongoing monitoring of implementation of the Medicare Modernization Act. The Finance Committee has jurisdiction over both the Social Security Administration and the Medicare program. The full text of the GAO report, entitled "Social Security Administration: Policies and Procedures Were in Place over MMA Spending, but Some Instances of Noncompliance Occurred," (GAO-07-986) is available at www.gao.gov.

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