

step in providing a benefit to our senior citizens which is long overdue. The prescription drugs situation will not change on its own in the future. The pharmaceutical companies have demonstrated scant interest in holding the levels of their annual price increases in line with inflation. Rather, while we will continue to see a flood of new revolutionary products hitting the market, this will be accompanied by price increases that put these products out of reach of their intended audience.

I am not calling for price controls. I believe in the free market, and in market capitalism. However, since the last time the House visited this issue, the drug companies have ignored the invisible hand in favor of the cash cow. Drug marketers, like any other entrepreneur, have the right to make a profit, but they are not entitled to do so on the back of the American taxpayer. If the government is going to subsidize a portion of the drug costs borne by seniors, the manufacturers need to be placed on notice that this will not be an opportunity for them to raid the Federal treasury in order to pad their bottom line.

This bill is the first step towards meeting a long overdue need. For that reason, despite my stated reservations, I intend to give it my support. It is my hope that my concerns will be addressed in a future House-Senate conference on this issue.

Finally, this legislation provides \$40 billion in badly needed adjustments and improvements to the Medicare Part B system. These include, but are not limited to: repeal of the 15% reimbursement cut for home health care providers, which was scheduled to go into effect in October 2002, increased payments to sole community hospitals, which serve rural areas, increased Medicare payment adjustment rates for physicians, reduced paperwork burdens for all providers, and stabilization for the Medicare + Choice system, which has bled out recently.

Mr. Speaker, this issue is too serious for party politics, and, as I stated at the outset, I urge my colleagues to give it their careful and thoughtful consideration. Our seniors and Medicare health care providers have waited long enough for relief. It is past time for the Congress to act.

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#### MEDICARE MODERNIZATION AND PRESCRIPTION DRUG ACT OF 2002

SPEECH OF

**HON. CYNTHIA A. MCKINNEY**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 27, 2002*

Ms. MCKINNEY. Mr. Speaker, I rise in support of a strong and comprehensive prescription drug benefit for all Americans. As the prices for prescription drugs have risen at twice as the inflation rate, this issue is of the utmost importance to Americans in need of prescription drugs.

Unfortunately, in the House there is only one prescription drug coverage proposal that will truly serve America's seniors and medically dependent populations. The Democrat prescription drug plan is the only proposal that is under Medicare, that gives consumers choice, that has no gap in coverage, that has legitimate drug cost controls, and that will truly assist American's with the exorbitantly rising costs of prescription drugs.

The health of our nation depends on a strong drug proposal such as this.

The Republican's bill would not provide the American people with an assured, reliable or substantive prescription drug benefit.

The Republican bill would cover less than 25 percent of Medicare beneficiaries drug costs, leaving millions of Americans with much of the high drug costs they now face.

The Republican bill includes a "hole" in the middle, where there is no coverage for drug costs between \$2000 and \$5600. Perhaps the other side didn't do their research, as nearly half of all seniors have drug costs over \$2000, and would receive no coverage under the Republican plan for part of the year.

Where is the benefit of this drug plan? Isn't the point of a prescription drug benefit to alleviate costs? Well, the Republican plan will hardly alleviate costs. Nor will it insure that a plan exists for all Americans.

The Republican bill would rely on private insurance companies to provide a yet-to-exist prescription drug-only plan. This proposal includes no guarantee for stable coverage by private insurance companies but merely suggests what plans private firms may offer. Under this plan, costs of the plans may vary, and seniors on fixed incomes will have less opportunity to plan for their drug expenditures and personal budgets.

As for consumer choice, the Republican proposal stops well short of providing any choices. Under the Republican plan, if a drug is not on a formulary, then it is not covered, and even when a drug is on the formulary, this bill permits private insurance not to cover it.

The Republican plan does not let people choose their own pharmacies, and instead creates private networks for drug delivery, increasing the time, trouble and travel seniors, caregivers and the disabled must go through to obtain necessary medication.

Finally, the people that this program should most benefit—America's low-income senior population—are left out in the cold. In the Republican plan, low-income seniors will be required to pay up to \$3600 out-of-pocket expenses per year to cover the "hole" in coverage, would have weak protections from high medicine copayments, and worse, could face denial of medicine if they are unable to cover the co-pay.

The Democrat bill is not deficient in these ways.

The Democrat plan has no hole in the coverage, and would not stick seniors with the \$3600 potential bill that the Republican plan would.

The Democrat plan limits out-of-pocket costs to just \$2000 per year—as much as 47 percent less than the limit under the Republican plan.

The Democrat plan gives consumers choice, allowing them the freedom to use the pharmacy of choice, instead of the restrictive "private network" limitations of the Republican plan.

Nor does the Democrat plan limit the access to specific medicines, and instead pays some coverage for all drugs, regardless if they are on the formulary or not. The Democrat plan would not steer, limit or channel American's to specific drugs as the Republican plan would.

And perhaps most importantly, the Democrat plan has a method for controlling the actual costs for drugs. It is the dramatic increase in prescription drugs that has brought us to

this juncture, and the Democrat plan would enable the Health and Human Services Secretary to negotiate prices on behalf of all Americans, thereby saving American consumers, taxpayers, and the government millions in drug costs. Under the Republican plan, there is no collective effort towards cost controls, and realistically, there will be no control of spiraling drug costs.

Mr. Speaker, I am not alone in my opposition to the Republican bill and my support for a strong and true prescription drug benefit. The National Association of Chain Drug Stores, the AFL-CIO, the Medical Group Management Association, the National Education Association and the American Federation of Teachers, Families USA, the National Council on Aging, and perhaps most importantly, the American Association of Retired Persons all either oppose the Republican plan, or endorse the Democrat prescription drug plan.

America's senior community—what has been called "America's Greatest Generation"—deserves no less than a substantive and strong prescription drug benefit bill. I urge my colleagues not to fall for the smoke and mirrors, and to realize that the Republican plan will not provide the relief and benefit that is needed to combat the rising costs of prescription drugs. Our seniors do not deserve limited choices on drugs and pharmacies, and should not be made to shoulder the high costs of the Republican plan.

Don't be duped America—there is only one bill that works for America, only one bill that will provide Americans affordable access to drugs, and that is the Democrat prescription drug bill.

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#### MEDICARE MODERNIZATION AND PRESCRIPTION DRUG ACT OF 2002

SPEECH OF

**HON. NANCY L. JOHNSON**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday June 27, 2002*

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of H.R. 4954 because it provides prescription drugs for all seniors as an entitlement under Medicare. Equally important, it prepares Medicare to deliver state-of-the-art health care to our seniors in the decades to come. Without passage of this bill, Medicare will continue to deny seniors the care they need and will continue to force the diversion of critical care hours from patients to paper work. Seniors would continue to be held hostage to an antiquated benefit structure while the rest of America benefits from advances in medicine, technology, and best practices.

First, in the area of prescription drugs, this bill captures deep discounts on drug prices, and then further reduces the cost of drugs to seniors through direct subsidies of 50 to 80%—up to \$2000 of costs. Two-thirds of seniors use less than \$2000 in prescription drugs a year, so this bill will provide them with tremendous relief. For low-income seniors—up to 150% of the federal poverty level (in 2005, \$15,065 for individuals and \$19,392 for couples)—drug costs will be paid 100 percent up to \$2000 a year (this includes premiums, copays, and the deductible). I want to stress that because twice as many women as men have