



Fighting for a Prescription Drug Plan that Benefits People, NOT Drug Companies

Millions of senior citizens and people with disabilities are on the losing end of the new prescription drug law passed last year. The new legislation, which was backed by the drug industry, does nothing to control skyrocketing drug prices, and increases out-of-pocket expenses for many beneficiaries.

Millions of LOW-INCOME seniors and disabled Americans will PAY MORE:

- ❖ Several million of the nation's poorest elderly and disabled beneficiaries will be denied coverage for some drugs they currently receive through Medicaid and/or will face higher prescription drug costs than they currently pay under Medicaid.
- ❖ 2.8 million very low-income seniors will be disqualified from low-income assistance by a new \$6,000 (\$9,000 for a couple) "assets test" for those under 135% of established poverty levels.

Beneficiaries will face a GAP IN COVERAGE and rising out-of-pocket costs:

- ❖ The law creates a gap in coverage or a "doughnut hole" between \$2,250 and \$5,100 of drug costs. Beneficiaries must cover these costs out-of-pocket.
- ❖ In just one year the \$250 deductible and the doughnut hole could increase by 10 percent. By 2013 these costs are projected to grow by 78 percent, meaning seniors will pay a \$445 deductible. Seniors with the largest drug bills will be solely responsible for over \$5,000 in drug costs.
- ❖ The average beneficiary will spend more of their income on prescription drugs in 2007 (when they would have coverage) than in 2003 (when the law was not yet in effect)."

NO CONTROL of the rising costs of prescription drugs:

- ❖ Medicare is PROHIBITED from using the purchasing power of its 40 million recipients to negotiate the lowest prescription drug prices possible.
- ❖ The so-called “discount” card, available to beneficiaries in 2004 and 2005, offers prices that are considerably higher than the prices paid by veterans who are covered by the Department of Veterans Affairs (VA), which is able to negotiate directly with the drug companies for lower prices. The VA pays 50 percent less than card holders pay for half of the top 20 brand-name drugs.
- ❖ The base price of the 30 brand-name drugs most often prescribed rose, on average, by nearly 22 percent. From January 2001 to January 2004 the most prescribed brand-name drug, Lipitor, rose by 27 percent and the second most prescribed brand name drug, Plavix rose by 34.8 percent.

It is ILLEGAL to buy and re-import prescriptions drugs -- except for drug companies:

- ❖ Re-importing safe, affordable drugs from Canada and other countries is banned until certified safe by the Secretary of Health and Human Services.
- ❖ Drug companies, on the other hand, are permitted to import drugs from other countries, including Canada, and have moved production of some of their top-selling medications overseas.

We need a *real* prescription drug benefit.

Let's vote about it!



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