

# SENATE REPUBLICAN CONFERENCE

Rick Santorum, Chairman  
Kay Bailey Hutchison, Vice Chairman



## 109th Congress

October 7, 2005

Dear Colleague,

This Columbus Day Recess packet will assist your efforts to communicate to your constituents that we are **delivering on America's priorities**. We encourage you to highlight the upcoming implementation of Medicare Prescription Drugs; our response to the devastation of Hurricane Katrina, including the relevance and importance of the Senate Anti-Poverty Agenda; the upcoming Supreme Court confirmation; and the need to continue our accomplishments on growing the economy and creating jobs.

**Medicare Prescription Drugs:** Congress made a promise to America's seniors to deliver better Medicare and a prescription drug benefit. The promise has been met: A bipartisan bill passed Congress and is now law. For the first time ever, America's seniors enrolled in the Medicare program have access to a prescription drug benefit. Educating seniors about the value of the new benefit is critical. Please visit your community's senior centers, deliver a newsletter to your constituents or write an opinion editorial for your local newspaper. By helping to disseminate factual and accurate information about the new law, we will help all of America's families understand the benefits of Medicare's new prescription drug benefit.

**Hurricane Relief /Anti-Poverty Agenda:** Katrina and Rita's impact on the Gulf Coast was devastating to land, infrastructure, the local economy, and to people living in the region. Congress has responded quickly to provide assistance to the families and communities impacted by this tragedy. We will continue to respond in a strategic manner to help rebuild the Gulf Coast. Meaningful solutions to poverty must address underlying causes, including the overwhelming evidence that family breakdown is a central factor of poverty in this country. To this end, we need to build on local community assets such as civic organizations, businesses, and faith-based institutions to empower families in need. Our WIN Anti-Poverty Agenda highlights the critical and central roles of Work, Investment, and Neighborhoods in reducing poverty, rather than "big-government" solutions. Several of these agenda items are particularly timely in the aftermath of the devastation brought by Hurricane Katrina.

**JOBS Agenda/Accomplishments:** The Gulf Coast region faces short-term financial hardship. On the national level, however, we have seen strong economic growth and Senate Republicans are working to create more jobs and put more money in the pockets of the American people:

- Over 4 million new jobs created in the past 2 years,
- Unemployment rate dropped below 5.0% in August to 4.9%, the lowest since 9/11/01
- Before Hurricane Katrina, increased revenue flows from the strong economy had resulted in a \$94 billion reduction in the projected budget deficit to \$333 billion or 2.7% of GDP.
- Passage of the highway bill, energy bill, CAFTA, budget, class action and bankruptcy reform all contribute to growing the economy and creating jobs.

**Energy Independence:** We will rebuild the Gulf Coast region while creating more jobs and continuing our national economic growth. Passage of ANWR is particularly timely. Consumers are feeling the strain on their wallets as gas prices continue to increase. Increasing U.S. production of oil can help increase our nation's supply and produce long-term benefits:

- It is estimated that ANWR could produce 1 million barrels of oil a day - more than 25% of current U.S. production. (Source: Senate Committee on Energy and Natural Resources)
- Estimates reveal that developing ANWR would create upwards of one million jobs and could contribute up to \$350 billion to the U.S. economy.
- Producing more of our own oil will better protect U.S. consumers and our economy from the impact of price hikes and supply constraints in the global oil market.

**Supreme Court:** Throughout the recess you will receive questions regarding the confirmation process of President Bush's nomination of Harriet Miers to be Associate Justice on the Supreme Court.

- Ms. Miers is a thoughtful accomplished lawyer with extensive community involvement who respects the rule of law.
- She was the first woman hired by her law firm; the first woman to serve as president of that firm; the first woman to serve as President of the Dallas Bar Association; and the first woman to serve as president of the State Bar of Texas.
- The Senate looks forward to a fair, dignified confirmation process, focused on her qualifications and experience.

Please make use of this information as you interact with your constituents and spread our message of accomplishment and our positive agenda for the future.

Thank you.

  
Rick Santorum, Chairman

  
Kay Bailey Hutchison, Vice-Chair



# Senate Republican Conference Agenda

**Republicans are Committed to Providing:  
Personal Security, Economic Freedom, and Opportunity  
and Compassion for every American.**

## *Save and strengthen Social Security*

Republicans will save and strengthen Social Security by protecting promised benefits for today's seniors and those nearing retirement while offering younger workers increased financial security through a voluntary personal retirement account - a nest egg they can call their own and pass on to their children.

## *It's your money*

Republicans believe simpler, fairer and lower taxes will promote job creation.

## *Leadership in the war on terror to best defend America*

American security is dependent on combating terrorism, promoting democracy worldwide and supporting a well-trained and well-equipped military and their families.

## *Deliver accessible, affordable and quality health care for all Americans*

Republicans will ensure that patients have access to quality and more affordable health care while lowering the cost of health insurance, offering more choices for services and increasing coverage for the uninsured.

## *Stop abusive lawsuits now*

Republicans will end personal-injury lawyers' frivolous lawsuits to save jobs and ensure fair compensation for true victims.

## *Fight poverty by empowering families in need*

Republicans will alleviate poverty and strengthen families first by encouraging an ownership society, providing work opportunities and partnering with faith-based groups, community charities and businesses.

## *Promote good 21st century American jobs*

Republicans will create an environment to grow jobs by less taxation and litigation, sensible regulation, greater research and development, quality education and strong infrastructure.

## *Lifelong learning for better jobs*

Republicans will develop a lifelong approach to education, training and research that prepares all Americans for jobs of the future, promotes access to college and ensures accountability of federal dollars.

## *Clean energy for jobs and energy independence*

Republicans are committed to innovative new technologies to develop America's energy resources that create jobs and reduce our dependence on foreign oil and gas while preserving the environment.

## *Cut wasteful spending and keep taxes low to create jobs*

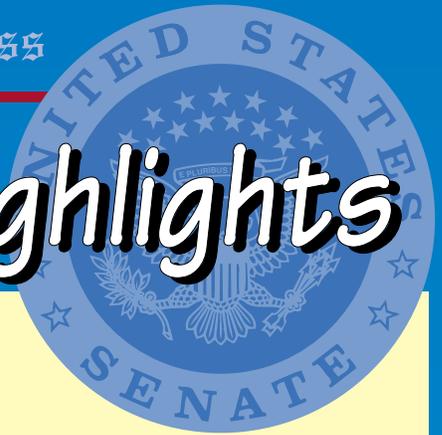
Republicans pledge to create jobs through responsible spending, deficit reduction and lower taxes.

## *Confirm fair judges through a fair process*

Republicans will confirm judges who will follow the law - not make the law - by ensuring timely up-or-down votes for all nominees on the Senate floor.

## *Protect marriage for the good of families, children and society*

Republicans will protect marriage - a core social institution - from redefinition by activist judges.



# Achievements/Highlights

CAFTA

Energy Bill

Budget

Supplemental

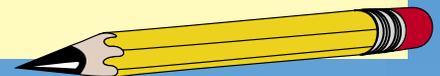
Bankruptcy Reform

Class Action Lawsuit Reform

Highway Bill

Judicial Nominations

Appropriations



# Medicare



# Medicare Rx Prescription Drug Benefit – Recess Activity

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## *Possible Messages:*

- Congress made a promise to America's seniors to deliver better Medicare and a prescription drug benefit.
- The promise has been met – and a bipartisan bill passed Congress and is now law.
- Traditional Medicare is strengthened and improved to keep up with advancements in health care, including disease management and preventive care.
- For the first time ever, America's seniors enrolled in the Medicare program have access to a prescription drug benefit.
- Everyone in Medicare should give serious consideration to enrolling for prescription drug coverage.
- Beginning January 1, 2006, this coverage will be available to all people in Medicare. It pays for both brand name and generic drugs, and offers a choice of plans.

Seniors who need the most help to pay for prescription drugs receive the most help under the new Medicare law. Medicare will offer options of enrolling online ([www.medicare.gov](http://www.medicare.gov)) and by phone ([1-800-MEDICARE](tel:1-800-MEDICARE)).

## *Possible Recess Activities:*

Tens of thousands of enrollment events will take place across the country. Some of these events will be sponsored by the Social Security Administration and by Medicare, or by organizations that represent seniors and patients. The Conference encourages members to participate in these existing events.

In addition, please visit your community's senior centers, deliver a newsletter to your constituents or write an opinion editorial for your local newspaper. By helping to disseminate factual and accurate information about the new law, you will help all of America's families understand Medicare's new prescription drug benefit.

## *Resources & Contacts:*

CMS: James Scott, Senior Legislative Advisor, Office of Legislation, (202) 690-8258

Medicare Rx Education Network: Eugenia Edwards, Senior Public Policy Specialist, (202) 457-5622

Medicare Access for Patients Rx: Mary Worstell, Convener, (202) 349-1152

Access to Benefits Coalition: Howard Bedlin, Vice President, Public Policy and Advocacy,  
The National Council on the Aging (NCOA), (202) 479-6685

# The Medicare Drug Benefit Is Too Important to Delay

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## **ANY DELAY IN THE IMPLEMENTATION OF THE MEDICARE DRUG BENEFIT WOULD BLOCK BENEFICIARIES' ACCESS TO MUCH NEEDED ASSISTANCE.**

- Delaying the implementation of the Medicare drug benefit, would deny much needed assistance to Medicare beneficiaries. A typical Medicare beneficiary, who has no prescription coverage today, will save about 50% on prescription drug costs.
- Most beneficiaries with low incomes and resources will save significantly more, paying only a few dollars for each prescription. According to the Social Security Administration, more than three million people who are eligible for low-income subsidies have already applied for this extra help.
- Delaying the benefit would disappoint millions of beneficiaries who are eager to get coverage, including homeless beneficiaries from Louisiana, Mississippi, and Alabama who would be worse off without the Medicare drug benefit.

## **POSTPONING THE START OF THE MEDICARE DRUG BENEFIT WOULD CREATE MASS CONFUSION FOR BENEFICIARIES.**

- CMS and SSA have already spent hundreds of millions of dollars on education and outreach for a January 1<sup>st</sup> 2006 start date. This includes money for printing and distribution of 42 million handbooks that explain the drug benefit, as well as an extensive multimedia advertising campaign.
- Beneficiaries have been receiving information for months, and are now preparing to enroll. Any delay in implementation will create mass confusion and would threaten to dampen enthusiasm for the benefit.
- Beneficiary groups and other organizations have also spent millions of dollars educating and preparing beneficiaries to enroll and prescription drug plans have spent hundreds of million dollars establishing the necessary infrastructure (e.g. disease management programs, medication management programs). A delay in implementation would prevent beneficiaries from immediately accessing these important benefits.



## News Release

FOR IMMEDIATE RELEASE  
Friday, Sept. 23, 2005

Contact: CMS Media Affairs  
(202) 690-6145

### **Medicare Takes Major Step Toward 2006 Drug Benefit Issues Approval To Plans Offering Coverage Prescription Drug Plans Under \$20 In 49 States Medicare Advantage Options Also Increase**

Medicare took a major step toward its new prescription drug coverage today by formally approving prescription drug plans and Medicare Advantage plans which will offer the coverage starting Jan. 1, 2006, HHS Secretary Mike Leavitt announced.

The prescription drug plans, which work with traditional Medicare, and the Medicare Advantage plans that offer drug coverage and additional benefits, can begin marketing their plans on Oct. 1. More details on those plans will come in the next few weeks.

- \* Today's approvals include: Prescription drug plans in every state – with no area needing the "fallback" plan that would have been required without at least two organizations competing.
- \* Between 11 and 20 organizations offering prescription drug plans in each region.
- \* Ten organizations offering drug coverage nationwide.
- \* In every state but Alaska, at least one prescription drug plan with a premium of less than \$20 a month.

Medicare Advantage plans, which offer coordinated care for even lower out-of-pocket costs, will have more comprehensive offerings next year also. In 44 states, beneficiaries can select a Medicare Advantage plan that provides prescription drug coverage for no additional cost. In 37 states, beneficiaries across the state will be able to choose a new regional Preferred Provider Organization (PPO) plan.

"Thanks to the range of options available, everyone in Medicare will be able to choose a prescription drug plan that addresses their individual concerns about cost, coverage and convenience," Secretary Leavitt said. "For premiums that are in many cases much lower than expected, seniors will be able to get Medicare-approved prescription drug coverage that will help protect their health as well as their savings."

"Medicare is taking an historic step today toward coverage that will bring the best of modern medicine to our beneficiaries," said CMS Administrator Mark B. McClellan, M.D., Ph.D. "As we approach the start of enrollment on November 15, Medicare will work with our partners in every state to help people with Medicare make their decisions."

Prescription drug coverage will be available to everyone in Medicare, regardless of their income or how they get their Medicare coverage. Extra assistance is available to those with limited incomes and resources. In every state, at least five prescription drug plans will offer coverage with no premium to beneficiaries who qualify for that extra help.

All plans have met Medicare's requirements for providing access to medically necessary drugs, including formulary standards as well as standards for access to convenient retail pharmacies and to drugs in nursing homes. All plans are required to provide coverage at least as good as Medicare's standard coverage, which pays on average 75 percent of drug costs after a \$250 deductible up to \$2,250 in total drug spending. The coverage also pays approximately 95 percent after \$3,600 in out-of-pocket costs to protect against very high drug expenses. This means that for a monthly premium that is lower than expected, Medicare would pay more than half of a typical beneficiary's drug costs, or more than \$1,100.

"As a result of the strong competition, Medicare will also include options that cost less and provide coverage beyond Medicare's standard benefit," Dr. McClellan said. "With better opportunities to save and to get the coverage that works for you, it's about time to start thinking about how you or someone you care about can take advantage of the new benefit."

Everyone who cares about someone in Medicare can also help, Secretary Leavitt and Dr. McClellan emphasized. A guide on how to talk about the prescription drug coverage will be included in the Sept. 25 edition of Parade magazine, including a call for families to discuss the new prescription drug benefit as they gather the day after Thanksgiving.

"Any time is a good time to talk about Medicare's drug coverage, but we'd like to create a national conversation at a time when a lot of people gather with family and friends and just catch up on their lives," Secretary Leavitt said.

"Take a few minutes to talk about Medicare's drug coverage -- it could change the life of someone you love," Dr. McClellan said. "We will use the detailed information on drug plans that will be available in the weeks ahead to help every Medicare beneficiary choose a plan that is a good fit."

More information to help guide these conversations will be published in the coming weeks. In early October, the Medicare & You 2006 handbook will be mailed to every Medicare household. Beneficiaries with coverage now, for example from a former employer, should also get information by October on how that coverage will work with Medicare's new benefits. Beginning in mid-October, Medicare's Web site, [www.medicare.gov](http://www.medicare.gov), and its 24-hour toll-free number, 1-800-MEDICARE (1-800 633-4227), will also have specific information available to help beneficiaries find the drug coverage that suits their needs.

To get a plan that works for them, beneficiaries should make a note of any current drug coverage, their prescription drugs and their preferences about pharmacies or additional coverage.

A map of the prescription drug plan and Medicare Advantage plan regions can be found at <http://www.cms.hhs.gov/medicarerereform/mmaregions/>

(Sample Op-Ed)

# Families and Medicare

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Parents and grandparents are the cornerstones of the American family. They spend their entire lives providing for their family and ask for little in return. Now we have an opportunity — and duty — to give back to them by helping them with the Medicare drug benefit.

The new benefit — Medicare Part D — is the response to concerns that America’s seniors and the disabled have voiced for years. Since its creation 40 years ago, Medicare has taken care of beneficiaries when they are sick, covering hospital costs and doctor visits. Periodically, the program has added preventive measures such as screenings for colon cancer. Starting this January 1, Medicare is adding prescription drug coverage.

For years, diabetes, stroke, heart disease and even ulcers were managed only after they occurred, and often through debilitating surgery. Today, these and many other conditions can be prevented and treated through medicines. The new drug benefit will make more medicines available to our parents and grandparents and they will be more likely to comply with their treatment. They’ll stay healthier, remain more independent, and continue enjoying their lives.

Our parents and grandparents can be part of a benefit that helps them get the medicine they need, when they need it. The benefit makes sense even for those who currently are healthy, because it will take care of them if health problems arise. Loved ones can rest assured that grandparents are protected against unexpected costs.

Sounds like a no brainer, right? Why do we need to help America’s parents and grandparents with this one? Because choice plays an important role in the Medicare drug benefit. I think if anything about this new coverage causes seniors to hesitate, it’s this alone. They’re not quite sure which steps to take to decide if the Medicare drug benefit is right for them.

To begin with, the benefit is voluntary. Your parents and grandparents choose whether or not to sign up. If their existing drug coverage is better, perhaps they should stick with it. No matter what, they should explore their options.

We can already begin helping our parents and grandparents by helping them compare plans. People in Medicare will have a choice of at least 11 plans. The goal is find one that suits them. The actual six month open-enrollment window doesn’t begin until November 15. So there is plenty of time to mull over the marketing materials and official Medicare information that is coming in the mail and no immediate pressure to make a decision.

Your parents or grandparents may have already received an application in the mail for extra help with paying for Medicare’s prescription drug coverage. Some 18 million beneficiaries received these applications. Help your parents and grandparents fill it out if they received one, following the rule, “When in doubt, fill it out.” It could mean they would pay little or nothing at all to participate

Finally, let your parents and grandparents know how to sign up — directly with a plan, or at any number of enrollment events that will take place in our community on or after November 15.

In the end, my parents and grandparents may decide not to sign up for the Medicare drug benefit after all. Ultimately, it will be their choice. But whatever their choice may be, the least I can do is help them understand their options.

*(Sample Op-Ed)*

## Choice: An Important Aspect of the Medicare Drug Benefit

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How curious that some critics have chosen to focus on the ‘choice’ aspect of the Medicare drug benefit, framing it as ‘confusion’. They are missing an important point. While choice means more options, which can mean more information to review, it also can mean lower cost and greater opportunity to meet your own personal needs.

When you go to the grocery store, you can choose from many different kinds and brands of products. When you select a cell phone, you have lots of options for phones and calling plans. In each instance, you take the time to evaluate your options before making a decision. And in each case, increased choice has brought down cost. In all these cases, you make your choices based on what is most important to you — cost, convenience or coverage. The same is true with Medicare’s drug coverage.

Most people in Medicare will have a choice of at least 11 or more Medicare prescription drug plans. The good news is that, because choice is up, costs are down. The national average monthly premium is \$5 less than originally anticipated (\$32.20, down from \$37). Many plans will offer monthly premiums of \$20 or less. Some will have \$10 premiums. Some plans will have no deductible.

Medicare is also giving you ample time to evaluate your options, as well as specialists to help you along the way. Even though sign-up for the drug benefit doesn’t begin until November 15, you can begin evaluating the prescription drug plans in your area now. In mid-October, CMS will put a PlanFinder on its Website that will allow you to plug in information and help determine which plan makes the most sense for you.

If you already have drug coverage from an employer or union, look for a letter in the mail that will tell you how this drug coverage compares with Medicare’s. If your retiree drug coverage is better, keep it. If it isn’t, sign up for Medicare’s prescription drug coverage and keep your retiree plan for its other benefits.

Select your Medicare prescription drug plan based on the 3 C’s — cost, choice and convenience. Plans will vary.

You can sign up directly with the Medicare prescription drug plan you select. CMS can help you choose a plan over the phone. Additionally, you can sign up at one of the thousands of enrollment events that will take place in communities across the country, including ours.

In 2003 when my fellow members of Congress and I passed legislation creating the Medicare drug benefit, we went to great lengths to give people in Medicare choices so they could select plans that best meets their needs. We knew then that a cookie-cutter approach for 42 million people would not work. Congress built choice into the law for that reason.

I have faith in [INSERT STATE]’s Medicare beneficiaries. I think they will take the time to evaluate the Medicare plan available to them. I think without the choice component of the Medicare drug benefit, they wouldn’t be satisfied with what the program ultimately has to offer — a lifetime of guaranteed, affordable access to medicines.

*(Sample Op-Ed)*

## Don't Let Scams Shortchange Your Peace of Mind

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The Medicare prescription drug benefit is an historic undertaking and there are going to be a lot of choices for people to make. Now, I see choice as a good thing. It drives down overall cost. Already, average premiums have dropped 14 percent. Choice also makes people responsible for educating themselves and for separating reliable sources from con-artists.

I am constantly telling my constituents that this is truly a remarkable time in history when we have a chance to secure our health. Some seniors say they are scared and do not know how to tell the good guys from the ones that are out to take their money.

To this I say, "Take your time." Open enrollment doesn't begin until November 15 and it runs for six months.

Keep in mind that the benefit is strictly voluntary. No one can require you to sign up.

Be cautious with your Social Security Number and other personal information. Your plan should never ask for your credit card or bank account information over the phone unless you're arranging automatic payments for your drug coverage. There is only one case in which Social Security might check your Social Security number over the phone, and that's if the number was incompletely filled out on extra-help form for the Medicare drug coverage. SSA will never ask for your bank account numbers, credit card numbers, or life insurance policy numbers over the phone.

Also know that it's illegal for plans to reach out to you door to door or via unsolicited e-mails. If someone knocks on your door trying to sell you a Medicare prescription drug plan, it's a scam.

If you want to report a suspected scam, call the Office of Inspector General at the Department of Health and Human Services, 1-800-447-8477 or send an email to [HHSTips@oig.hhs.gov](mailto:HHSTips@oig.hhs.gov). If you feel you need to speak with someone in person in our area, call [INSERT LOCAL SHIP NUMBER]

There is a lot of information out there about the Medicare drug benefit, and there is going to be more. But it is important to understand that taking the time to educate yourself will prevent con-artists from shortchanging your peace of mind.

# Medicare Prescription Drug Benefit Education

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**To educate Medicare beneficiaries about the new drug coverage, we are partnering with more than 70 national and 750 local organizations through the Medicare Rx Education Network and others to:**

- Distribute more than 30 million CMS Medicare brochures to physician offices;
- Launch Medicare educational networks in all 50 states and Puerto Rico to host local educational & enrollment events—in August, these partners held over 400 local events around the country;
- Mail 19 million Medicare beneficiaries information on the new drug coverage—approximately 120 million pieces of direct mail;
- Place \$7 million of television ads and two ads in 300 weekly newspapers on the new Medicare drug coverage;
- Release studies, conduct media tours, editorial boards, and place op-eds and letters to the editor to generate awareness of the new drug coverage (Reached 70 million readers and viewers from July to September);
- Identify and cultivate official spokespeople within the Network and create a rapid response media team within the Network to correct, clarify and addressing incorrect information published in the press;
- Develop “Tough Q and A” brochure for beneficiaries, as well as state specific Medicare information brochures;
- Outreach to religious communities, specifically African-American churches;
- Connect legislators to community groups in their state conducting MMA education and support educational events for legislators through various health fairs, town halls and press events.

**For additional information, please contact:**

Eugenia Edwards  
Senior Public Policy Specialist  
Medicare Rx Education Network  
(202) 457-5622



September 20, 2005  
FOR IMMEDIATE RELEASE

Contact: Jennifer Merchant  
(717) 214-2200

## **Medicare Rx Access Network of Pennsylvania Launches Effort to Educate about New Medicare Drug Coverage**

**Harrisburg, PA** – The Medicare Rx Access Network of Pennsylvania was launched today at a press conference in Harrisburg. The network is one of the 50 state programs of the national Medicare Rx Education Network. The effort was created to share resources, coordinate activities and disseminate information to Medicare beneficiaries and their caregivers about the new Medicare Part D drug coverage.

Currently, there are 21 member organizations participating in the Medicare Rx Access Network of Pennsylvania representing seniors, patients, people with disabilities and chronic diseases, pharmacists, healthcare providers and businesses.

“Approximately 2.1 million Pennsylvanian’s are eligible for this new prescription drug benefit. It is important that we help our seniors and people with disabilities and chronic diseases make informed decisions about their options regarding the new drug coverage,” said Tony Ross, President of the United Way of Pennsylvania and Network spokesperson. “The Medicare Rx Access Network of Pennsylvania is working hard to make sure that beneficiaries get accurate information and know where to go in their local communities to get help in order to receive the prescription benefit.”

Beginning next January 1, Medicare will include a prescription drug benefit that could provide Medicare beneficiaries with savings on their prescription medicines. Medicare covers hospitalization and visits to the doctor, but until now Medicare has not covered prescription drugs. The new prescription drug benefit will offer 42 million people coverage for a wide array of medicines.

“It is critical that we reach out to people in Medicare and those who care for them so beneficiaries can make confident, informed decisions about their prescription drug coverage,” said Mark B. McClellan, M.D., Ph.D., Administrator for the Centers for Medicare & Medicaid Services. “This new network and its efforts will be a big help toward our goal of reaching seniors and people with a disability where they live, work, pray and play.”

The Medicare Rx Access Network of Pennsylvania hopes to eliminate duplication of efforts and maximize the effectiveness of outreach efforts. The network also hopes to pre-empt any confusion about the new Medicare prescription drug coverage by making sure information disseminated about the benefit is factual and accurately conveyed. The network will, whenever possible, direct beneficiaries to local resources in neighborhoods and communities where questions can be answered face-to-face or in a phone call with a local counselor. The network does not engage in legislative activities or take positions on pending legislative or administrative policies related to the Medicare Part D benefit and its implementation.

Enrollment begins Nov. 15, 2005. Coverage begins January 1, 2006. Detailed information about prescription drug plans for Pennsylvania will become available this October.

Employers and unions will also send information to their former employees and members in October, allowing these beneficiaries to compare their current coverage with other Medicare prescription plans.

One-third of the estimated Medicare population is considered low-income. These beneficiaries – over 414,000 people in Pennsylvania – will receive extra help and pay little or nothing at all. Like other forms of insurance coverage, Medicare's prescription drug insurance will help protect these low-income individuals against high costs and unexpected future costs.

Many beneficiaries are asking: "What can I do *right now*?"

Ray Landis, an advocacy representative for AARP of Pennsylvania, suggests, "making a checklist. Write down the names of the drugs you take, the dosages and frequency (one or two times a day). Write down the pharmacies you like to use. And write down what kind of prescription drug coverage you already have, if you have any."

"Planning and preparation will allow beneficiaries to choose a plan that covers the drugs they take, one that will supply them through the pharmacy or mail order they prefer and one that fits their budget," said Landis.

*The Medicare Access Network of Pennsylvania is one of 50 state efforts organized nationally under the auspices of the Medicare Rx Education Network. The network consists of locally based healthcare, social service and professional organizations and that have come together to educate beneficiaries and their caregivers about the new Medicare prescription drug benefit.*



**EMBARGOED FOR RELEASE**  
**Thursday, Aug. 25, 2005 – 12:01 a.m. ET**

Contacts: Becky Watt Knight (202-745-5050)  
Mike Freeman (202-452-8700)

## **LOW-INCOME SENIORS TO SAVE NEARLY \$1,500 A YEAR UNDER NEW MEDICARE Rx DRUG COVERAGE, ANALYSIS SHOWS**

*New state-by-state report estimates impact of new coverage on beneficiaries nationwide  
U.S. seniors who are Medicare beneficiaries will average \$700 a year or more in savings*

WASHINGTON, D.C. – The amount of money that low-income seniors spend on prescription drugs will fall nearly 90 percent under Medicare’s soon-to-be-implemented prescription drug coverage, a study released today shows. The study indicates that seniors who earn approximately \$14,500 or less – 150 percent of the federal poverty level – will see their out-of-pocket costs for prescription medications drop from \$1,657 to \$180 a year.

Although low-income beneficiaries will see the most substantial savings, the analysis of federal health data estimates that all Medicare beneficiaries could save an average of nearly \$700 a year in out-of-pocket spending. The report shows that fully 97 percent of Medicare beneficiaries could have drug coverage after the program takes effect, compared to 62 percent who currently have drug coverage.

*Medicare Tomorrow: Future Savings for Beneficiaries* was released today by *Medicare Today*, a national partnership of more than 200 organizations committed to providing consumers with objective, easy-to-understand information about Medicare’s new prescription drug coverage. *Medicare Today* partners include AARP, the American Academy of Family Physicians, the National Association of Chain Drug Stores, the Healthcare Leadership Council and others. Together, the group is conducting a comprehensive outreach program to reach seniors through a grassroots, person-to-person approach, explaining the Medicare drug benefit and other new Medicare features with clarity and objectivity. The partnership will intensify its efforts after Labor Day with informational events in communities nationwide.

“Millions of American seniors will soon be eligible for significant savings on the annual cost of their medications, if they enroll for the new Medicare drug benefit,” said Mary R. Grealy, president of the Healthcare Leadership Council, which is coordinating Medicare Today’s efforts. “Many of them are taking multiple medications, but struggle to pay for them each month. The availability of this new coverage will mean that seniors of modest means will no longer have to choose between paying their utility bills and paying for their medications.”

The report was prepared for Medicare Today by analysts at PricewaterhouseCoopers, LLP, Washington D.C., and is derived from data from the U.S. Census Bureau’s March 2004 Current Population Survey, the Medicare Current Beneficiary Survey, and other sources adjusted to reflect 2006 estimates by the Congressional Budget Office. Additional findings include:

- Seniors who do not currently have prescription drug coverage will see significant savings. The analysis shows that the nearly 11.8 million seniors who do not currently have prescription drug coverage will see their out-of-pocket costs fall by two-thirds – from \$1,905 to \$626 a year.
- In all 50 states, at least one in five seniors who are not receiving Medicaid, is without prescription drug coverage. In seven states, more than half of the senior population has no prescription drug insurance – including Texas (57 percent), Arkansas (56 percent), South Dakota (56 percent), North Dakota (55 percent), Nevada (53 percent), Georgia (51 percent) and North Carolina (51 percent). In all 50 states, more than 95 percent of seniors will have drug coverage, if all who are eligible enroll in a Medicare prescription drug plan.
- In 31 states, low-income seniors will pay less than the national average in out-of-pocket costs. The analysis estimates that in 31 states, low-income seniors will pay less than the yearly average of \$180 in out-of-pocket costs. Seniors with the lowest anticipated costs reside in Hawaii (\$144), South Dakota (\$146), Alaska (\$148), Wyoming (\$149) and Montana (\$154).

Medicare beneficiaries are eligible to join a new prescription drug program beginning November 15. The coverage will go into effect on January 1, 2006. Seniors joining a prescription drug plan will pay approximately \$32 a month for the coverage. The new program will cover 75 percent of seniors' annual drug costs up to \$2,200, and nearly all costs over \$3,600.

“Although seniors who are living with less money stand to see the biggest results, the research shows that many seniors in the U.S. – regardless of current income or overall net worth – may save hundreds of dollars each year. All persons on Medicare will have greater security from the protection this coverage provides against possible future health problems,” Grealy said. “It’s critical that everyone age 65 and older take the time to find out more about this new benefit and see if it makes sense for them. It is especially important for the millions of people who have no drug coverage at all.”

Evidence suggests that seniors need more information about the prescription drug coverage program. A poll conducted by the American Viewpoint public opinion research firm late last year – nearly one year after Congress enacted the Medicare Modernization Act – found that only 20 percent of seniors and pre-retirees surveyed said they had a “fair” or better knowledge of the legislation. Medicare Today organizers believe that intensive education activities can improve upon these awareness statistics before the enrollment period begins.

Medicare Today has engaged organizers in every state to coordinate local events in senior centers, senior housing facilities, pharmacies, grocery stores and other gathering places to inform beneficiaries about the new Medicare provisions. Activities will include:

- Presentations to key community organizations, such as senior centers, Rotary clubs, service organizations and local disease/patient support groups, in cities and towns nationwide.
- Informational materials distributed in grocery stores, pharmacies, hospitals, physician offices, health clubs and retirement communities.
- Coordinated efforts with members of Congress and state and municipal elected officials to conduct Town Hall meetings to fully explain the new benefits. In addition to learning more, those seniors who are eligible are encouraged to enroll early. Those who elect to enroll after May 15, 2006, may be subject to a late-enrollment penalty.

*To access Medicare Today's interactive tools or to locate Medicare Today activities, visit [www.MedicareToday.org](http://www.MedicareToday.org) or [www.HLC.org](http://www.HLC.org).*

*(Sample Op-Ed)*

## Medicare Part D low-income study

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It's an unfortunate truth that a good number of government programs, once they are created, turn out to cost a great deal more and accomplish less than their advocates hoped and intended.

Let's applaud the fact then that the new Medicare prescription drug benefit is moving in the opposite direction. The cost of the program, thanks to the market competition elements in its construction, is actually going down, and we're learning more about the profound impact it is going to have on the lives of millions of American seniors.

The Medicare drug coverage looks like a better value for beneficiaries every time the Center for Medicare and Medicaid Services announces new details about the prescription drug plans that will be available to seniors. The original estimated average monthly premium cost of \$37 has dropped to \$32, and we've learned that every state in the continental U.S. will offer at least one plan with premiums in the \$20 neighborhood. Many plans will also offer benefits that go well beyond the minimum standards set by Medicare.

What's even more striking, though, is the degree to which this new drug coverage will help Medicare beneficiaries, particularly those of modest incomes who don't currently have any kind of insurance to help them pay for their medicines. A new study, sponsored by the nonpartisan Medicare Today coalition and performed by the global accounting firm PriceWaterhouseCoopers, has shed some fascinating light on the way in which the new drug benefit will affect households.

Currently, there are nearly four million Medicare beneficiaries who have annual incomes of \$14,500 or less and have no drug coverage whatsoever – no Medicaid, no private health insurance, no retiree benefits. Currently, these individuals are paying an average of \$1,905 every year out of pocket for the medicines they need.

When the Medicare drug benefit goes into effect on January 1, 2006, their \$1,905 out-of-pocket annual drug spending goes down to just \$130.

But the study shows that it's not just the low-income beneficiaries who will see this kind of significant impact. Among all Medicare beneficiaries who are not on Medicaid or any other federal health program, out-of-pocket spending for medicines will decline from \$1,550 per year to \$863, a decline of more than 40 percent. That will make a big difference in the household budget for many elderly individuals and couples.

The early indications are clearly showing that the authors and supporters of the Medicare drug benefit had the right idea when they injected private sector principles into the program. By breaking away from a one-size-fits-all government-controlled program and embracing the idea of treating Medicare beneficiaries as consumers, enabling them to select the prescription drug plan that best fits their needs, we are now seeing the benefits of competition. To win over beneficiaries, prescription drug plans are offering lower premiums and better benefits.

It is important that seniors – particularly those who don't currently have any form of drug coverage – take advantage of this benefit. Enrollment begins November 15. This month, beneficiaries will be receiving information from Medicare on the availability of prescription drug plans in their areas.

Contrary to what some critics have said, this program won't be too complicated. If there are questions about which plan is the best one to choose, there is plenty of help available from Medicare itself at 1-800-MEDICARE and [www.medicare.gov](http://www.medicare.gov) , and there are going to be plenty of organizations, from AARP to your local Area Agency on Aging, offering a helping hand.

The evidence is in. The new Medicare drug benefit is going to make a difference in people's lives, and it's going to cost less than expected. For a government program, it doesn't get much better than that.

*Source: Medicare Today*



## **Finding Prescription Drug Help for Those Who Need It Most *How You Can Help Low Income Medicare Beneficiaries***

The Access to Benefits Coalition (ABC) – representing hundreds of nonprofit organizations across the nation – is committed to helping millions of seniors and younger people with disabilities reduce their prescription drug costs. ABC includes 104 national members, and hundreds of local, community-based nonprofit organizations in 54 communities in 36 States.

Coupled with sophisticated, yet simple and easy-to-use Web-based technology, ABC members are trusted, credible grassroots resources that provide 1-on-1 counseling, education, and enrollment assistance to people with Medicare who have lower incomes to help them find the assistance that they need.

### **ABC is Helping in Many Communities...**

There are local Access to Benefits Coalitions in many communities nationwide – made up of trusted, local, non-profit community service organizations and government agencies. They are actively reaching out to the most vulnerable people in their areas to help them make the cost of medications affordable. Contact information on local ABC Coalitions can be found at [www.AccessstoBenefits.org](http://www.AccessstoBenefits.org).

### **...Anyone, Anywhere, Anytime Can Help**

The U.S. Administration on Aging and the U.S. Department of Health and Human Services sponsor [www.BenefitsCheckUpRx.org](http://www.BenefitsCheckUpRx.org), a Web-based service that can be used by people with Medicare themselves, or by those who want to help them, find prescription savings. *BenefitsCheckUpRx* is a powerful online tool that anyone, anywhere, anytime can use. It is fast, free and confidential.

Starting in mid-October, *BenefitsCheckUpRx for People with Medicare* will assess any beneficiary's current prescription drug coverage and tell them what their rights and options are if they decide to sign up for a plan or enroll in the extra help. It will also continue to identify whether a beneficiary with limited income and resources is eligible for extra help as well as other valuable programs such as Supplemental Security Income, Medicare Savings Programs and Medicaid.

*BenefitsCheckUpRx* enjoys a breakthrough partnership with the Centers for Medicare & Medicaid Services (CMS) combining its decision support tools with CMS' Medicare Prescription Drug Plan Finder and online enrollment capabilities (in mid-October). It also seamlessly links to the Social Security Administration's online application for the extra help.

### **What Can You Do?**

- Post the *BenefitsCheckUpRx*<sup>™</sup> link on your Congressional Web site and include it in your newsletters or other publications ([www.BenefitsCheckUpRx.org](http://www.BenefitsCheckUpRx.org))
- Connect with the local ABC Coalition in your Congressional district – find the coalition in your district at [www.AccessstoBenefits.org](http://www.AccessstoBenefits.org)
- Share this information with other Congressional staff members
- Encourage your constituents and their family members who have access to a computer to use the Web sites
- Work with ABC and your local Coalition on outreach and enrollment in the full Medicare prescription drug benefit.

*Note: ABC provides the most help for people with modest incomes: those with an annual income of less than \$19,000 (if they are single) or \$25,000 (if they are married).*

**[www.AccessstoBenefits.org](http://www.AccessstoBenefits.org)**

**[www.BenefitsCheckUpRx.org](http://www.BenefitsCheckUpRx.org)**



## **BenefitsCheckUpRx™** A DECISION-SUPPORT AND ENROLLMENT SERVICE

*Before Signing Up for a Prescription Drug Plan,  
All Medicare Beneficiaries Should*

### Take the First Step...

*BenefitsCheckUpRx for People with Medicare* is a new Web-based service from The National Council on the Aging that helps all people with Medicare understand what they need to know before signing up for the new Medicare Prescription Drug Coverage. We urge beneficiaries – and those who help them -- to use it first, before shopping for a plan.

Regularly used by local organizations to assist thousands of beneficiaries every day, this powerful tool also continues to help individual beneficiaries with limited income and resources find out if they qualify for the extra help through Medicare's new coverage and then helps them apply.

Starting in mid-October, *BenefitsCheckUpRx for People with Medicare* will assess any beneficiary's current prescription drug coverage and tell them what their rights and options are if they decide to sign up for a Medicare Prescription Drug Plan. It will also link with the new Centers for Medicare & Medicaid Services' Prescription Drug Plan Finder.

Sponsored by the U.S Department of Health and Human Services and the Administration on Aging, *BenefitsCheckUpRx for People with Medicare* can also be used by people with Medicare and those who care about them. Not only is it user-friendly and easy to navigate, it is free and completely confidential.

*BenefitsCheckUpRx for People with Medicare*, can also help beneficiaries find out if they qualify and enroll in:

- Veterans and TRICARE benefits
- State pharmacy assistance programs
- Private company patient assistance programs
- Medicare Savings Programs
- Medicaid
- Supplemental Security Income (SSI)
- Medicare-approved drug discount cards (until December 2005)

Also, starting in mid-October, *BenefitsCheckUp for People without Medicare* will help people who don't have prescription drug coverage find programs that can help them reduce the cost of their medicines.

**[www.BenefitsCheckUpRx.org](http://www.BenefitsCheckUpRx.org)**