



CONGRESSMAN  
**FRANK  
PALLONE**



REPORTS TO SENIORS

***Despite Pallone's Objections—  
New Prescription Drug Benefit Begins January 1st***

**T**wo years ago Pallone opposed the Republican prescription drug law because it did not provide a defined benefit to seniors within the Medicare system. Despite Pallone's objections, the law takes effect on January 1, 2006. The enrollment period started November 15, 2005 and will run until May 15, 2006. For those who sign up by December 31, 2005, coverage will begin on January 1, 2006. ***Those who sign up after May 15, 2006 will be charged a late penalty that increases the cost of the Medicare prescription drug benefit.***

**Making An Informed Choice is Critical**

Considering the complexity of the new Medicare prescription drug benefit, Pallone urges seniors to take their time to learn the rules about the new benefit and thoroughly evaluate the various plans before making their selection.

**May 15, 2006**

***Here are some questions everyone in Medicare should ask when evaluating drug plans:***

- ▲ What's the monthly premium?
- ▲ What's the annual deductible?
- ▲ Is there help in the "doughnut hole" or coverage gap?
- ▲ Will the plan pay for the drugs I take right now? Will the plan provide help if my drug needs change?
- ▲ Are there any restrictions on my drugs (e.g. limits on quantity or refills)?
- ▲ What pharmacies are in the plan's network?

***Remember, while the benefit goes into effect on January 1, 2006, seniors have until May 15, 2006 to enroll without facing the late fee.***

Seniors who already have prescription drug coverage through their retiree benefits should check with their former employers to see how their coverage would be affected and if they should enroll in the benefit.

Medicare beneficiaries who are also enrolled in Medicaid are eligible for additional assistance with purchasing their prescription drugs. For more information, please contact the New Jersey Department of Human Services at **1-800-356-1561**.

Similarly, other low-income beneficiaries may be eligible for additional assistance. If you are enrolled in New Jersey's Pharmaceutical Assistance to the Aged and Disabled (PAAD) or Senior Gold program, please contact the New Jersey Department of Health and Senior Services at **1-800-792-9745**, for more information.

tion on how you may be impacted by the new Medicare drug benefit.

**Pallone Supports a Simpler Solution**

In November 2003, Pallone voted against the new Medicare prescription drug benefit for seniors. He instead wants to make it simple and easy for seniors to obtain quality prescription drug coverage. He supports legislation that would create a drug plan provided directly by Medicare rather than private insurance companies and allow the Secretary of Health and Human Services to negotiate lower prescription drug prices for Medicare beneficiaries. He also believes the enrollment period should be extended and penalties should be eliminated so seniors can take their time to make the right decision about a prescription drug plan.

***The following are good resources for seniors in New Jersey to utilize in making their decision:***

- ▲ New Jersey State Health Insurance Assistance Program Counselors  
**1-800-792-8820**
- ▲ Middlesex County Office on Aging  
**732-745-3295**
- ▲ Monmouth County Office on Aging  
**732-431-7450**
- ▲ Somerset County Office on Aging  
**908-704-6346**
- ▲ Union County Division on Aging  
**908-527-4870/4872**



## Americans Join Pallone in Rejecting Social Security Privatization

Faced with strong opposition from Pallone, his Democratic colleagues, and an array of groups across the country, President Bush's plan to partially privatize Social Security was abandoned. The proposal threatened the only secure retirement income for millions of Americans. As a result Americans resisted, insisting our senior citizens should not be subjected to a risky experiment.

At a time when Americans face uncertainty about their pensions and 401(k) plans, they should be able to rely on a steady monthly Social Security check. Seniors have earned that reliable monthly check after paying into the system for years. Privatization proposals would subject Social Security benefits to the volatility of the stock market, and therefore would threaten that reliability.

Social Security does face long-term challenges, but there is no crisis as some critics claim. According to the nonpartisan Congressional Budget Office, Social Security will be able to pay full benefits for the next 50 years if no changes are made to the system. Now that privatization has been rejected, Congress should work in a bipartisan fashion to strengthen the program for generations to come.



*Pallone talks with seniors regarding their concerns about privatizing Social Security.*

### Budget Cuts to Medicaid Affect Seniors

The Republican majority has passed a budget resolution that would cut nearly \$50 billion from domestic programs. Funding for Medicaid, which pays for nearly half of all long-term care expenditures for seniors in the United States, is one of the programs slated to be cut.

According to the non-partisan Congressional Budget Office, the bill cuts \$2.5 billion from long-term care service for the elderly and disabled. These cuts would impose significant new hardships on those who need long-term services under Medicaid. Of the nearly 78,000 seniors in New Jersey, some may be denied Medicaid eligibility for nursing home care at the point when they have no other resources to pay for it. In some instances, seniors may be forced to sell their homes or take out a reverse mortgage in order to qualify for Medicaid.

I opposed these drastic cuts because it is time we started thinking about real solutions to the deficit problem. We must not make sacrifices at the expense of our communities while cutting taxes for the wealthy.

### Rep. Pallone's District Offices – Reaching Out to You

*If you have a problem of a federal nature or want to obtain information on legislative issues, contact these offices, open weekdays 9:00 a.m. to 5:00 p.m.*

#### Middlesex/Somerset/Union

67/69 Church St., Kilmer Square  
New Brunswick 08901  
732-249-8892

#### Monmouth

504 Broadway  
Long Branch 07740  
732-571-1140

#### Bayshore/West Monmouth

I.E.I. Airport Plaza  
1390 Rt. 36, #104, Hazlet 07730  
732-264-9104

Web site: [www.house.gov/pallone](http://www.house.gov/pallone)

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Official Business



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