

This Week in Washington

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Congress Approves H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003

As you may know, on June 25, 2003 Speaker Dennis Hastert (R-IL) introduced H. R. 1, the Medicare Prescription Drug and Modernization Act of 2003. **Subsequently, on June 27, 2003 the House of Representatives approved H.R. 1 by a bipartisan 216 to 215 vote.** I voted in favor of passage continuing my commitment to our Nation's seniors.

This legislation will modernize Medicare to better suit the needs of today's seniors. The bill bolsters Medicare coverage with a physical and bi-yearly cholesterol screening, a relief package for rural hospitals and home health care. In addition to modernizing Medicare, the bill will add an optional prescription drug benefit.

The new prescription drug benefit will be available to all Medicare beneficiaries and will provide the following beginning on January 1, 2006:

- A \$250 deductible for coverage;
- Costs thereafter up to \$2,000 are shared---80% paid by the government and 20% paid by the beneficiary;
- Catastrophic emergency protection after \$3,500 out-of-pocket (\$100% of costs covered by the government);
- An average premium around \$35 a month, or about \$1 a day.
- As a transition to the prescription program, the bill creates "Drug Discount Cards" allowing seniors to receive discounts of up to 35% on prescription drugs and support services from their pharmacies. This card will be similar to a debit card and will cost no more than \$30 to enroll.

Furthermore, the legislation will provide subsidies for low-income seniors:

- For those below 135% of the poverty line, 100% of the premium will be subsidized;
- For seniors between 135% and 150% of the poverty line, the income-related subsidy will be on a sliding scale, with the range being 100% to 0%;
- Cost sharing for prescriptions is reduced to \$2 for generic drugs and \$5 for non-preferred drugs. *(cont. on page 2)*

Pombo Hails Funding to Protect Our Police

Congressman Richard Pombo today hailed the release of funding for local police departments to purchase additional bulletproof vests under the COPS program.

Pombo, who assisted local departments in pursuing the funding, announced grants for the following areas:

Brentwood	\$4,840.13	22 vests
Escalon	\$16,012.66	23 vests
Lodi	\$6,190.31	11 vests
Manteca	\$2,901.16	12 vests
Morgan Hill	\$3,492.20	10 vests
Pleasanton	\$4,917.94	19 vests
Ripon	\$1,364.65	6 vests
Tracy	\$ 25,987.42	78 vests

"Our police officers face life and death situations everyday," Pombo stated. "Bulletproof vests will save lives. I'm grateful we were able to work together to obtain this important funding." Monday, June 30 Pombo held a law enforcement forum in San Ramon with police and fire fighting personnel from throughout the Bay Area and Central Valley to discuss the issues facing our First Responders.

Today in History

1776 - The amended Declaration of Independence, prepared by Thomas Jefferson, was approved and signed by John Hancock, President of the Continental Congress in America.

1802 - The U.S. Military Academy officially opened at West Point, NY.

1803 - The Louisiana Purchase was announced in newspapers. The property was purchased by the U.S. from France for \$15 million (3 cents an acre). The "Corps of Discovery," led by Lewis and William Clark, began the exploration of the territory on May 14, 1804.

1817 - Construction began on the Erie Canal, to connect Lake Erie and the Hudson River.

1832 - The song "America" was sung in public for the first time at the Park Street Church in Boston, MA.

1863 - The Confederate town of Vicksburg, MS, surrendered to General Ulysses S. Grant.

1895 - The song "America the Beautiful" was first published.

1957 - The U.S. Postal Service issued the 4¢ Flag stamp.

1959 - The 49-star U.S. flag was debuted.

1960 - The 50-star U.S. flag made its debut in Philadelphia, PA.

1966 - U.S. President Johnson signed the Freedom of Information Act, which went into effect the following year.

1976 - The U.S. celebrated its Bicentennial.

This Week in Washington cont.

(Congress Approves H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003 cont.)

Medicare beneficiaries will be able to choose from Medicare Advantage (formerly Medicare +Choice), Preferred Provider Organizations, and Enhanced Fee For Service (EFFS) plans. This will allow beneficiaries to choose the plan which best fits their needs. The cost of these plans will be held down due to the competitive forces of the market place. The presence of competition will allow the government to control overall costs and reduce the burden on every taxpayer. The bidding process will require a company to provide actuarially equivalent care and pass on any savings to the enrollee. Finally, seniors will have the option to remain in their current plan; they will NOT be required to switch plans.

The competition encouraged in the House Medicare prescription drug bill should in no way be confused with privatization. These enhancements will allow Medicare to be solvent in the future by shoring up the foundation of the system today. The Medicare prescription drug bill includes real changes to prevent a tax burden passed on to future generations.

Department of the Treasury Timetable for Additional Child Tax Credit Checks

The process for issuing checks for the advance payment of the child tax credit takes 6-8 weeks. The IRS begins by running a program to search more than 130 million 2002 tax returns filed earlier this year to identify taxpayers eligible for the advance payment. A calculation is performed for those eligible for the credit to determine the amount of the check and the data is transmitted to Financial Management Service (FMS), the agency in the Treasury which issues all federal government checks - like Social Security, government employee and Military pay checks. A testing process is also performed to minimize errors.

The Jobs and Growth Tax Relief Reconciliation Act of 2003 provides for the issuance of checks to approximately 25 million eligible taxpayers. As a result, checks are scheduled to be issued beginning July 25, 2003 in the following manner:

Last 2 Digits of SSN Date Check Mailed Estimated Volume Estimated Dollars			
00-33	7/25/03	8.6 million	\$4.42 billion
34-66	8/1/03	8.4 million	\$4.29 billion
67-99	8/8/03	8.4 million	\$4.29 billion

The Senate has passed a bill that provides for approximately 7 million additional advance child tax credit checks to be issued. Many press reports have inaccurately reported a time frame for which these additional checks proposed by the Senate-passed legislation would be issued.

If the additional checks were to be included with those provided for by the Jobs and Growth Act, that would cause a delay of nearly one month for the 25 million taxpayers scheduled to receive checks beginning in late July. This is because IRS would be required to restart the identification and calculation process begun last month. Alternatively, the process for the additional round of checks can begin only after the first round of checks is issued. In order to not create any significant delay in issuing the 25 million checks provided for by the Jobs and Growth Act, a second round of checks will not be issued until mid-September.

National Do Not Call Registry Opens

The opening of the National Do Not Call Registry, a free service of the federal government developed to give consumers a choice about getting telemarketing calls at home, was recently announced by President George W. Bush.

H.R. 395, the Do-Not-Call Implementation Act, provided a five-year authorization for the Federal Trade Commission (FTC) to collect fees from telemarketers to pay for a national "do-not-call" registry. The national "do-not-call" list will allow consumers to opt-out of telemarketing calls, making it illegal for telemarketers to call those telephone numbers listed on the registry.

Consumers can register in two ways:

Online <http://www.donotcall.gov/>

or by calling a toll-free number 1-888-382-1222.

Registration is free and is available in both English and Spanish.