



NEWS

CONGRESSMAN PETE STARK

239 CANNON HOB, WASHINGTON, DC 20515 (202) 225-5065 www.house.gov/stark

13TH DISTRICT
CALIFORNIA

RANKING MEMBER
WAYS AND MEANS HEALTH SUBCOMMITTEE

FOR IMMEDIATE RELEASE
Friday, October 31, 2003

CONTACT: Lindsey Capps
(202) 225-5065

WHERE'S THE BENEFIT?

Current Rx Drug Compromise Does Little to Help Seniors Who Need it Most

WASHINGTON, DC- Second in a series – President Bush on Wednesday urged Members of Congress to compromise on a Medicare bill that provides prescription drug relief for seniors. The President further suggested that new choices in Medicare would provide beneficiaries the type of coverage already available to Members of Congress. Unfortunately the President's plan provides far less help to Medicare beneficiaries than is offered to Members of Congress.

"President Bush assumes seniors don't know the difference between the benefits available to Members of Congress and those proposed in his Medicare bill. If his plan becomes law, Medicare beneficiaries will pay much more than Members of Congress for prescription drugs. The President continues to mislead American seniors, and its time people learn the truth about this marginal benefit," said Rep. Pete Stark, Senior Democrat on the Ways and Means Subcommittee on Health.

The Medicare conference is considering a drug benefit with a \$275 deductible, 25% cost-sharing for the first \$2200 worth of medications, then roughly a \$2900 doughnut hole in coverage in which beneficiaries pay 100% of their drug costs until they spend \$3600 out-of-pocket. After that point, Medicare beneficiaries still pay 5% of each medication.

Members of Congress, however, have a much more generous benefit. According to the Office of Personnel Management, the vast majority of Members of Congress are enrolled in the Blue Cross Blue Shield standard option plan. This plan's drug benefit has no deductible, 25% cost-sharing, and has an out-of-pocket spending limit for all medical costs of \$4000 a year.

President Bush cited three examples of Medicare beneficiaries who would benefit from prescription drug coverage. In each of these cases, Members of Congress pay much less out-of-pocket than Medicare beneficiaries would under the proposed bill. Members of Congress never pay more than 25 percent out-of-pocket, regardless of their annual expenditures. For an individual who needs \$2400 worth of medication a year, a Medicare beneficiary pays nearly 40 percent out-of-pocket. At \$6300 annual spending, a Medicare beneficiary forks over a whopping 58 percent of their total drug bill. A Medicare beneficiary with \$9600 of medications will pay almost 40 percent of costs out of their own pockets'. The table below shows the percentage of prescription drug costs covered for a Medicare beneficiary compared to Members of Congress at these three spending levels.

-MORE-

OUT-OF-POCKET COSTS AS A PERCENT OF ANNUAL SPENDING FOR A MEDICARE BENEFICIARY VS. MEMBER OF CONGRESS

ANNUAL DRUG COSTS	MEDICARE BENEFICIARY	MEMBER OF CONGRESS
\$2400	39.84%	25%
\$6300	58.14%	25%
\$9600	39.87%	25%

*These figures exclude calculation of the monthly premium because it is undefined in the Medicare bill and not divided into a separate drug premium for FEHBP. The percent paid out-of-pocket for a member of Congress can be substantially lower if the \$4000 deductible on all medical expenses is met. Beyond that deductible members of Congress have no out-of-pocket costs.

“We need a drug benefit that provides real relief for seniors with soaring drug costs. For a beneficiary currently spending \$6300 a year on medications, the benefit being promoted by the President is paltry. The current compromise forces millions of seniors to continue spending thousands of dollars out of their own pockets’. Members of Congress would not accept this minuscule benefit, and neither should our seniors,” concluded Rep. Stark.