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For Immediate Release

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Washington D.C. - Nearly 7 million disabled and older Americans are or soon will be paying 100 percent of their prescription-drug costs despite having coverage under Medicare, Congressman John Murtha said today.

Citing a new report from Campaign for America's Future, Murtha said, "This report illustrates one of the fundamental flaws in the prescription plan approved by Congress. I voted against that plan, which was written by the drug companies for the drug companies, not for the Americans whose longevity and quality of live depend more and more on prescription drugs."

The plan includes a feature known as the "doughnut hole," a large gap in coverage for those whose annual drug costs are between \$2,250 and \$5,100. After a deductible, Medicare pays 75 percent of drug costs up to \$2,250, then enrollees pay the full cost of the next \$3,600 worth of prescriptions, after which Medicare's catastrophic coverage pays 95 percent.

The Campaign for America's Future report found that the average Medicare-eligible American will fall into the doughnut hole on Sept. 22, forcing seniors to pay the full cost of their prescription drugs unless and until they reach the "catastrophic coverage" level of \$5,100. These costs are on top of Medicare Part D's monthly premiums.

Murtha said that Medicare should have been allowed to negotiate drug prices, as the Veterans Administration does, which would save millions of dollars. But from the perspective of many Medicare enrollees, the higher prices pushed more of them into the doughnut hole more quickly, which significantly increased their costs for prescriptions, he said.

"And tragically, some people will be back to making the tough decision about whether to buy the drugs they need or put food on their table," Murtha added.

The report also raised concerns that the size of the doughnut hole gap will increase each year as the catastrophic coverage threshold rises, increasing the impact on more and more Americans. The catastrophic coverage threshold will increase from \$5,100 today to \$5,596 in 2007 and \$6,158 in 2008.

"We need to make significant improvements in this plan to make it affordable and reasonable to the older Americans and the disabled people who depend on it," said Murtha, who is supporting the Medicare Prescription Drug Savings and Choice Act.

