



News Release

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**Opening Statement
Senator Byron L. Dorgan
Chairman, Democratic Policy Committee**

**An Oversight Hearing on the Implementation of
the Medicare Prescription Drug Benefit**

Monday, February 27, 2006

Today, the Democratic Policy Committee is holding a hearing on the implementation of the new Medicare prescription drug benefit. The hearing will look at the program's early failures as well as the challenges likely to emerge in the coming months.

I had some hopes for this new Medicare plan, but the Centers for Medicare and Medicaid Services should be embarrassed at the way it's been implemented. The Bush Administration is administering the new benefit with all the competence of its response to Hurricane Katrina.

Wherever I travel in North Dakota, I hear complaints about the new drug benefit. Seniors want to know why health plans are able to change their prices and formularies on a whim.

Pharmacists want to know why they are prohibited from helping their patients enroll in a plan. Pharmacists in my state have told me that some plans will not even return their calls when they want to join a plan's network. Other pharmacists have had to take out short-term loans because of payment delays. This is simply unacceptable.

Nearly everyone thinks the benefit is too complicated. I must say that I am not surprised. In North Dakota, where there are only 105,000 eligible beneficiaries, we have 41 drug plans being offered by 17 companies.

Because of the confusion and problems with the benefit, only 37 percent of seniors in North Dakota have drug coverage – the lowest coverage rate in the nation. More than 67,000 of our seniors still lack prescription drug coverage.

The Administration continues to ignore these problems. Just last week, Secretary Leavitt said that the "marketplace will simplify the program."

Well, I am a big believer in the power of the marketplace. But the marketplace often leads to results that make no sense, like Judge Judy being paid 144 times as much as Supreme Court Chief Justice John Roberts.

I think the health of America's seniors is too important for the Administration to just shrug its collective shoulders and hope that the marketplace will do the job.

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That is why I have called for extending the enrollment deadline to give Congress time to enact a number of common sense reforms to improve the benefit and make it less confusing.

Today we will hear from a number of health policy experts who will talk about problems with the benefit's implementation as well as challenges that may very well emerge over the coming months.

- Robert Hayes is President and General Counsel of the Medicare Rights Center. He will discuss the confusion that exists among Medicare beneficiaries as well as the challenges with providing seniors individualized counseling.
- Thomas Rice is Vice-Chair of the Department of Health Services at the UCLA School of Public Health. He will discuss why so few beneficiaries are taking advantage of the low-income subsidy and the impact of denying the subsidy to vulnerable beneficiaries.
- Gerard Anderson is Director of the Center for Hospital Finance and Management at Johns Hopkins Bloomberg School of Public Health. He will discuss the gap in prescription drug coverage known as the "donut hole" and how allowing Medicare to negotiate drug prices would provide enough savings to fill that gap.
- Tim Westmoreland is a former director of Medicaid and a research professor at Georgetown University. He will discuss problems with the automatic enrollment of "dual eligibles," or individuals who qualify for care under both Medicare and Medicaid.
- David Olig is the owner of the Prescription Center Pharmacy and Southpointe Pharmacy in Fargo, North Dakota. He will discuss the specific burdens that the prescription drug benefit has placed on small and independent pharmacists.

I welcome the witnesses and look forward to hearing their testimony and ideas for how we can make this benefit truly work for our seniors.

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