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KENNEDY STATEMENT ON SEC. LEAVITT'S VISIT TO BOSTON TODAY

Kennedy and Colleagues urge President Bush to provide an effective plan for fixing Part D

Boston, MA—Today, Secretary of Health and Human Services, Mike Leavitt, will meet with Massachusetts Governor Mitt Romney on the Bush Administration's attempt to fix a myriad of problems that Massachusetts residents have been facing since Medicare's "Part D" program was implemented in early January.

Massachusetts has approximately 185,000 residents who are dually-eligible for both Medicare and Medicaid. These are low-income elderly and disabled persons who were previously had the costs of their drugs covered under Medicaid and who were transferred to the new Medicare drug program on January 1, 2005. In the midst of this failure, the Administration should not arbitrarily set a date when states must stop paying for prescription drugs until such a time

that Medicare has an effective safety net in place that insures that all seniors will get the medicine that they depend upon.

The average monthly spending per dual-eligible resident in Massachusetts is estimated to be \$232.43 per month for 2006, or \$2789.16 per year.

Senator Kennedy said, "Reimbursing states such as Massachusetts that did the right thing by our seniors and disabled is the least the Bush Administration can do. But this is only a bandaid on a Medicare prescription drug program that needs major surgery. The President will address the nation next week on the health care issue, and I urge him to join us in proposing real reforms for the prescription drug program."

Senators Kennedy, Reid and Rockefeller sent the following letter to President Bush today.

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January 25, 2006

The President
The White House
Washington, DC 20500

Dear Mr. President,

We are writing to you to express our deep concern about the costs that States, pharmacies and patients across the country are incurring because of the failure of the Medicare drug law to cover the costs of needed prescriptions. Time after time, the Administration was warned of the complexity of its proposals to provide needed drugs for seniors, persons with disabilities, and individuals with mental illnesses. These warnings were ignored, and the result has been a disaster. Across the nation, Americans are being denied needed prescriptions altogether or being wrongly told to pay unaffordable sums for the drugs required to keep them

healthy.

Many States have stepped in where the Administration failed, and provided the assistance needed to help seniors get the medicines they needed. Compounding the problem, the Administration has now produced an inadequate plan to reimburse States for these costs – a plan that is itself as complex and as likely to fail as the Medicare drug law. Under the proposal, States must first ask insurance plans to pay their share of costs, and then go through the cumbersome and uncertain process of applying for a Medicaid waiver to receive their reimbursement.

The Administration's plan also does nothing to reimburse pharmacies and hospitals that have provided drugs at low cost to those in need when insurance plans failed to cover those costs. Nor does it assist beneficiaries who have paid the high costs of their prescriptions from their own pockets when the coverage they counted on was denied.

States that have done the right thing in providing assistance for these citizens should receive immediate and certain reimbursement, not an IOU that may never be repaid. Pharmacies, hospitals, and individuals who have had to spend hundreds or even thousands of dollars because of the inadequacy of the Medicare drug law should get swift and assured repayment for their unfair costs.

We call on you to provide an effective plan to reimburse States, pharmacies, and beneficiaries for the costs they have incurred in responding to the embarrassing failures of the Medicare drug plan, and to do so without further delay.

Respectfully,

Edward M. Kennedy

Jay Rockefeller

Frank Lautenberg

John Kerry

Patty Murray

Mark Dayton

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