

June 24, 2002

All Seniors Get Prescription Drug Coverage Under Johnson-Bilirakis

Dear Colleague:

This week the Ways and Means Committee approved H.R. 4954, the “Medicare Modernization and Prescription Drug Act,” to provide a voluntary, accessible prescription drug benefit. Some on the other side of the aisle have questioned whether prescription drug coverage would be available to all seniors who want it, and whether seniors would find the benefit offered attractive enough to enroll.

Actuarial experts from two different branches of government have evaluated the legislation and have determined that prescription drug coverage would be available to all seniors who want it, and most seniors would enroll.

Specifically, Rick S. Foster, the Chief Actuary from the Centers for Medicare and Medicaid Services stated, “We estimate that virtually all Medicare beneficiaries (i.e., at least 95 percent) would opt for such drug coverage.”

Mr. Foster’s reputation as an actuary is unparalleled. His job is to examine the actuarial, economic and demographic implications of all areas of the Medicare program. He is not a political appointee and has no political affiliation.

Similarly, the Congressional Budget Office (CBO) reported that under the Medicare Modernization and Prescription Drug Act, 96 percent of beneficiaries would have prescription drug coverage. The CBO is a non-partisan agency under the legislative branch tasked to evaluate the impact of legislation.

In addition, the Health Insurance Association of America which opposed the prescription drug bill two years ago, commented: “The Medicare Modernization and Prescription Drug Act, sponsored by Chairwoman Johnson is a substantial improvement over earlier proposals. The federal subsidy of the costs of the new benefit has been increased significantly to 65 percent; the benefits are more generous, including lower up-front cost sharing for beneficiaries and greater protection against catastrophic expenses; and the estimated monthly premium has dropped. The improvements should make the benefit more attractive to Medicare beneficiaries...consequently, there is now a much better chance that our members will offer the benefit.”

If the experts in the executive and legislative branches tasked to evaluate such proposals attest that the prescription drug benefit will be universally accessible and generous to prompt 95 percent or more of beneficiaries to voluntarily enroll, we fail to understand the argument that the benefit will not be offered or attractive.

Don’t believe unsubstantiated arguments. Vote for H.R. 4954, the “Medicare Modernization and Prescription Drug Act.”

Best regards,

S/

Bill Thomas
Chairman
Committee on Ways and Means

S/

Nancy Johnson
Chairman
Committee on Ways and Means
Subcommittee on Health