

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
January 31, 2007

I call this hearing to order and welcome all of our witnesses. Before we begin today, I want to first thank Senator Gordon Smith for the great work he did as Chairman of this committee for the past two years. Senator Smith, this committee was thoughtful, diligent, and active under your stewardship. We applaud your leadership and enthusiasm, and we will build on much of the work you started. As you know, our committee has a history of bipartisanship, and in that spirit, we look forward to working with you.

Even though most of us mark the passage of a year with cake and ice cream, I don't know anyone who says growing older is a piece of cake. That's why this committee's work is so vital. We are charged with finding solutions to the pressing problems seniors face, and our agenda for the 110th Congress will tackle many of them.

We must rein in health care costs and we ought to start by promoting affordable generic drugs. We also must improve nursing home oversight to make sure seniors get safe, quality care. With the Baby Boom generation set to retire en masse, we have to make sure older Americans can stay in the workforce longer if they so choose. And we must also help people prepare for their long term care needs.

Finally, we will hold a series of hearings to fix the problems with Medicare's prescription drug program so that seniors can finally enjoy a simple, affordable benefit. Today, more than 24 million people are receiving their drug coverage through Medicare Part D, and we have a responsibility to make sure that the program works for all seniors.

To start, today's hearing will explore problems with the low-income subsidy benefit and identify practical solutions. It's worth noting that this extra help for low-income seniors was one of the major selling points cited by supporters of the law when it passed. But so far, the reality is far short of the promise.

Last year got off to a rocky start as many low-income seniors were denied the drugs they needed at the pharmacy. While some of those problems were resolved, serious challenges remain that are preventing low-income seniors from getting the low-income subsidy.

First, many prescription drug plans changed their benefits this year, and not all participate in the low-income subsidy program. Some seniors did not receive the letters notifying them that they need to choose a new plan, so many

are showing up at the pharmacy confused and frustrated. Some seniors did switch plans but their pharmacy has not been given an up-to-date record, so those seniors are being charged incorrect copays or leaving without their drugs. Seniors faced many of these same problems last year, and they should have been solved by now. It's time for CMS to put together a comprehensive plan and report back to this Committee on how they will fix these problems.

Second, I'm also concerned about the more than 3 million seniors who were projected to be eligible for the low-income subsidy but are not receiving it. In November of 2006, the Health and Human Services Inspector General recommended that the Social Security Administration have access to IRS data so they can better target potentially eligible low-income seniors. I'm working on legislation to fix this and I hope my colleagues on the committee will join me.

Finally, some 600,000 poor seniors are losing the subsidy altogether. Some may still be able to obtain extra help but they will need to apply. And since the application process is so onerous we know that some seniors will simply give up. The Administration needs to do everything in its power to find eligible seniors and make the application process a simple one. We also need to take a serious look at the asset test to make sure it's fair, easy to navigate, and does not exclude seniors who are truly low-income and need extra help with their drug costs.

As we enter the second year of the Medicare drug benefit, we have an obligation to make sure it is working for all seniors, but particularly for our poorest seniors who need help the most. We are not there today. The recommendations from our witnesses can lead to real solutions, and I hope the Administration is willing to work with us to implement them.

I now turn to Senator Smith for his opening statement.