

Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing
Meeting the Challenges of Medicare Drug Benefit Implementation
February 2, 2006

Thank you, Mr. Chairman, and I welcome all of our witnesses who will be testifying today.

Dr. McClellan, I am glad to see you back again to discuss Medicare Part D implementation. As I am sure you know, we have a serious problem on our hands. We are going to have to put aside partisan politics, and saving face, and excuses, and speeches – all the things Washington is so good at -- to work together to get this program running so that – at the very least – seniors are better off than they were before we passed a drug benefit.

We are not there right now. Every day, we hear stories from seniors and individuals with disabilities. Some find themselves switched from Medicaid into a Medicare drug plan that doesn't cover the drugs they need. Others face hundreds of dollars in incorrectly charged copays. Still others wrestle with the choice between the dizzying number of drug plans -- all covering different drugs and with different costs -- and few that Medicare can explain in any detail.

A good number of these problems, I think you would agree, come from a fatal flaw in the original law – the primary reason I voted against it in 2003. Medicare Part D is not what many seniors thought they were promised: a simple drug benefit delivered through the reliable, popular Medicare program. Instead, private insurers distribute the drug benefit – and it is set up at least as much for their profit and convenience as it is for that of seniors.

Nowhere is that more obvious than in the provision of the drug benefit law that *prohibits* the Federal government from negotiating with drug companies for lower drug prices. Forty-one million Medicare beneficiaries demanding fair prices could have backed the drug companies down, but the law won't let them even try. Striking that provision – and I am a cosponsor of legislation to do just that – is probably the single most powerful action we can take to increase the popularity – and the benefit – of Medicare Part D among seniors.

I would hope that the Administration would endorse fixing that provision – I believe it would be not only good policy, but a strong signal that seniors are their primary concern.

Dr. McClellan, I would bet that you are as disappointed as anyone at the troubled roll-out of Medicare Part D. Seniors don't have enough information to choose a drug plan, and they get inaccurate or inconsistent advice when they call Medicare. Senator Nelson has introduced a bill that would extend the enrollment deadline and give every beneficiary a chance to change their plan at any point in 2006. That seems the least we can do.

We also have to take immediate action to help those hit hardest so far: the so-called "dual eligibles," the poorest and sickest seniors and disabled individuals who were switched to the Medicare drug benefit on January 1st. We hear horror stories of patients denied medicines because their paperwork is delayed or their new plan doesn't cover what they need. We know that the Administration must be as horrified with that result as we on the Committee are, and we look forward to talking about what we can do to turn it around.

But it's not just seniors who are overwhelmed. Pharmacies are also struggling to navigate the new system. Today, we will hear from Sue Sutter, a pharmacist from Dodge County, Wisconsin, about the extreme steps they've taken to make sure no patient is turned away. Even in the face of being unable to verify payment, pharmacists have still dispensed medications to their clients. Some pharmacies have been forced to take out lines of credit to cover their costs. Many states, including Wisconsin, have had to step in to cover drugs to avert a public health emergency.

This Committee – in hearings and letters – raised the possibility of these sorts of implementation problems before. And now that our concerns have become catastrophes, it hardly matters whether CMS's past assertions of smooth transition were bad faith or naiveté. And it hardly matters that they have ignored our good faith efforts to try and salvage some good from the drug benefit program. What matters is that CMS now concede they have a mess on their hands, and we all must work together to clean it up.

We can act right now to fix these problems. Dual eligibles must have guaranteed access to the drugs they need and some real help to get into the proper drug plan. The Federal government must reimburse seniors, pharmacies, and States who have stepped in to fill in the holes. We should extend the enrollment deadline for seniors to sign up for the benefit so they have enough time to pick the drug plan that best meets their needs. We should also let seniors change drug plans this year if the one they choose changes mid-year and no longer covers their drugs. And we should allow Medicare to negotiate directly with drug companies for lower prices for seniors and taxpayers.

Earlier this week, I met with seniors, individuals with disabilities, pharmacists, and advocates in Milwaukee, who have been working around the clock to help people get the drugs they need. The Administration needs to show that same commitment. And instead of staying the course and hoping for the best – instead of trying to salvage a political victory from a policy disaster – they need to honestly look at why Medicare Part D has been a failure thus far– and what we can do to fix it.

Again, I thank you, Mr. Chairman, for holding this important hearing.