

Committee on Ways and Means

Republicans Provide Health Care Solutions

Congressional Republicans have delivered meaningful reforms to provide seniors and families with affordable health care options, while Congressional Democrats continually try to obstruct these efforts and push a health care agenda with less choice and more restrictions at a higher cost.

FACT: Congressional Republicans provided seniors with affordable and comprehensive access to prescription drug coverage, allowing seniors to choose the plan that covers the drugs they need.

Democrats Say: *“The Bush drug program actually blocks Medicare from negotiating for lower prices – even though it is what we successfully do for our veterans at the Veterans Administration.”* – Rep. Nancy Pelosi (D-CA) Press Release, August 16, 2006

It Really Means: Democrats want to impose price controls and restrict the number and types of drugs available to seniors. The VA achieves savings by restricting access to drugs. In fact, 33 of the top 100 drugs used most often by seniors aren't available on the VA's national formulary, including the popular cholesterol drug Lipitor.

And Democrats ignore the fact that:

- The current plans are already negotiating substantial discounts for seniors. In fact, the non-partisan Congressional Budget Office estimates that “the Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree.”
- Current plans are currently negotiating significant drug discounts and seniors are saving an average of \$1,200 a year.

Democrats Say: *“Americans face sky-high prescription drug prices, and many seniors are falling into the donut hole where they have no drug coverage at all while they continue to pay premiums...”* – Rep. Nancy Pelosi (D-CA) Press Release, August 16, 2006

It Really Means: The Democrat's plan would lead to higher premiums for seniors and would require billions in additional taxpayer dollars. CBO has estimated filling the so-called “donut hole” would cost \$450 billion over 10 years.

And Democrats ignore the fact that:

- There are at least four drug plans available in every state that does not have a coverage gap in 2006.

- There is NO “donut hole” for low-income seniors because Medicare pays for the needs of the nation’s neediest individuals.
- Seniors who have hit the coverage gap have already saved an average of \$1,500 on their drug costs.
- For the first time, Medicare seniors now have access to discounted prescription drugs because of aggressive private-sector negotiations, instead of continuing to pay the full retail price at their local pharmacy. Beneficiaries continue to receive these discounts while in the gap.

FACT: Through Health Savings Accounts (HSAs), Congressional Republicans provide Americans with a new and affordable health care option.

Democrats Say: *“I think Health Savings Accounts are very damaging and can lead to poor health for the American people. So I’m very, very vehemently opposed to them.”* – Rep. Nancy Pelosi (D-CA) speaking at a news conference, May 4, 2006

It Really Means: Democrats want to take away this accessible health coverage option from about 3.2 million Americans, and restrict Americans from choosing this lower cost alternative to traditional insurance.

And Democrats ignore the fact that:

- HSAs provide the uninsured with a health care option: 31 percent of individuals purchasing HSAs were previously-uninsured.
- HSAs are in demand: HSA accounts are being created at a rate of over 850,000 per year.
- HSAs are popular among middle-class families: Half of HSA account holders have incomes of less than \$75,000.
- HSAs provide lower premiums: Premiums for HSAs were 35 percent less than traditional health care for singles, and 29 percent less for families.
- HSAs remain more affordable: Traditional health insurance premiums have grown at twice the rate as HSAs.
- HSAs provide a savings mechanism for future health needs: The average health savings account balance is \$1,112. People are using the accounts to save for future health care needs.
- HSAs can decrease future medical costs: HSAs encourage preventive care and can decrease future medical costs by catching medical problems early.