



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Medicare prescription drug benefit
Da: Thursday, Jan. 19, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over Medicare, today made the following comment on state-incurred expenses for the new Medicare prescription drug benefit and other implementation concerns.

“States aren’t responsible for these prescription drug costs. Beneficiaries are entitled to drug coverage under the new Medicare benefit, and the prescription drug plans are liable to the states for these costs. The plans are under contract to provide the coverage and they’re obligated to reimburse the states for the cost of prescriptions that should have been paid for under the drug benefit. While we need to recognize that states are incurring some costs, my bigger concern is getting prescriptions to the people who need them. It’s unacceptable that some of the poorest, sickest people are having the most trouble, and it’s not what Congress intended. Medicare program officials are reporting on their efforts to make the system work. I’ll make sure they stay on top of this, and Congress needs to stay on top of it, too. It’s too early to commit to any legislative options because it’s unclear whether any legislation is needed. Let’s focus on the administrative remedies now because they’ll deliver help a lot faster than any legislation.”