



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 plan information for 2007  
Da: Friday, Sept. 29, 2006

Today, the Centers for Medicare and Medicaid Services (CMS) announced information on the 2007 Medicare prescription drug plans. The agency reported that 2007 average monthly premiums will remain at \$24, the same as in 2006. In addition, all beneficiaries will have access to a plan with a monthly premium less than \$20 and to plans that offer additional benefits, including no deductible and coverage of brand and generic drug coverage in the gap. Iowa beneficiaries will be able to choose from among four stand-alone prescription drug plans (PDPs) with premiums less than \$20. Seventy percent of Iowa beneficiaries will have access to a plan with a lower premium than in 2006. PDPs that cover brand and generic drugs in the coverage gap will be available for as low as \$47.50 a month. Beneficiaries in Iowa also will have access to additional Medicare Advantage plans, including plans that offer prescription drug coverage.

Sen. Chuck Grassley, chairman of the Senate Finance Committee, with jurisdiction over the Medicare program, made the following comment.

“The CMS announcement is very good news for the Medicare prescription drug program and more importantly, for our nation’s Medicare beneficiaries. For the second year, competition among prescription drug plans has led to the availability of affordable prescription drug coverage options, which, before the program started in 2006, were virtually non-existent. It’s rare in our health care system for premiums to stay level from year to year, but the strong competition in the Medicare prescription drug program is yielding that result. And contrary to some claims, seniors and those with disabilities, including the vast majority of Iowa beneficiaries, who are satisfied with their current prescription drug plan will be able to stay in their plan next year. Beneficiaries who want to choose a different plan will have that chance beginning mid-November and can use the information that they will receive from their current prescription drug plans and from Medicare next month to make those decisions. Beneficiaries also can get information by calling 1-800-MEDICARE and on the internet at [www.Medicare.gov](http://www.Medicare.gov). One-on-one counseling will be available at community-based agencies, including Iowa’s award-winning Senior Health Insurance Information Program (SHIIP).”

“I’ll be the first to say there were some bumps in the road, not unlike when Medicare itself got off the ground more than 40 years ago, but the Administration has worked diligently to address them. Opponents of the prescription drug benefit seized on these start-up glitches to denigrate the benefit. In some cases their negative rhetoric prevented some beneficiaries from signing up altogether. That’s shameful. But the simple truth is that the Medicare prescription drug benefit has

enabled beneficiaries to save on average \$1,200 a year and afforded them peace of mind that they have insurance against catastrophic drug costs.”