CONFERENCE REPORT IGNORES LONG-STANDING AARP POLICIES

AARP CONCERNS		CONFERENCE BILL
DEFINED BENEFIT	**"It is critical that beneficiaries understand what is included in their benefit and that they have dependable and stable prescription drug coverage."** **January 28, 2000** **"It is important that the Medicare drug benefit be defined in law …the benefit must be stable and reliable in rural, suburban, and urban areas."** **August 15, 2001**	**Fails to provide a defined, uniform drug benefit.** **The premium is not defined in the bill. Each private drug plan sets the premium, determines cost-sharing, selects drugs and can even charge more if a beneficiary goes to their local pharmacy.** **Benefits will vary plan by plan and region by region. Plans can even change coverage from month to month.**
NO COVERAGE GAP	**AARP supports "a benefit that does not expose beneficiaries to a gap in insurance coverage, such as policies with a 'donut hole.'"** **February 26, 2002**	**Beneficiaries pay 100% of costs between $2250 and $5100, a $2850 "donut hole."**
KEEP EMPLOYER COVERAGE	"**A Medicare prescription drug benefit should not be an incentive for employers to drop or cut back on retiree health coverage."** **January 28, 2000**	**2 to 3 million retirees would lose coverage. Because of discrimination against public employees, many of them would be teachers, firefighters, police and other state and local government workers.**
BENEFIT MUST BE AFFORDABLE	**"The benefit needs to be affordable to assure enough participation and thereby avoid the dangers of risk selection.** **January 28, 2000**	**Premiums would be set by private insurers and likely to be unaffordable to many. There is no limit on cost-sharing. Even after paying $3600 in out-of-pocket costs, beneficiaries would continue to pay 5% of all drug costs.**

MEDICARE BARGAINING POWER	**"The benefit must include ….drug purchasing strategies that enable Medicare beneficiaries and the program to take advantage of the aggregate purchasing power of Medicare beneficiaries." January 28, 2000**	**Unlike the VA and other large purchasers, Medicare is prohibited from using its bargaining power to obtain discounts.**
NO RELIANCE ON PRIVATE PLANS	**"Private risk-bearing entities may have a place in the delivery structure for a drug benefit, but these should be an option along side non-risk-bearing, government contractors." August 15, 2001**	**Relies exclusively on private drug plans. A government fallback is available only when there is not a private drug plan or PPO available in a region.**
ACCESS TO NEEDED DRUGS	**"The benefit must assure that beneficiaries have access to needed drug therapies." January 28, 2000**	**Medicare is prohibited from requiring that any drug be included on a private drug plan's formulary, even if it is proven to be the most effective drug. Medicaid severely restricted in ability to provide medically necessary drugs.**
DON'T MERGE PART A AND B TRUST FUNDS	**"…we oppose merging the Part A and Part B trust funds…" August 15, 2001**	**Merges trust funds**
STRENGTHEN AND IMPROVE MEDICARE	**"A new prescription drug benefit should be part of a strong Medicare program. Prescription drug coverage must b e integrated into the program in a manner that preserves and strengthens Medicare." January 28, 2000**	**The drug benefit is not part of Medicare. Medicare is weakened by forcing millions of seniors and persons with disabilities into an untested voucher system that will cap Medicare spending and force people into HMOs.**