



Congressman

Gene Green

# Senior Report

29th Congressional District of Texas

2006

Dear Friend,

Congress is in session and many issues are being considered that affect you and your families.

Although this newsletter is designed for senior citizens, the issues discussed are important to all Americans. Medicare Reform and Social Security impact all of us, no matter what age. Specific topics addressed in this newsletter include Medicare, particularly the President's Prescription Drug Plan Part D legislation, as well as Social Security.

The new Medicare Part D has been difficult for people to understand. The large number of plans with various deductibles, co-payments and coverages for particular drugs make it complicated to select a plan. There is also confusion over the "Donut Hole" or gap in coverage. If you need assistance in choosing a plan, please consider attending one of the Enrollment Workshops we have scheduled for April 1<sup>st</sup> and 8<sup>th</sup>.

Twice a year we host Senior Issues Forums, in addition to numerous Town Hall Meetings. You are welcome to attend any of these meetings or you can always contact us at our district offices listed below whenever we may be of service.

Sincerely,

Gene Green  
Member of Congress

## Medicare Part D Enrollment Workshop

April 1, 2006

9:00 am-3:00 pm

Houston Community College-Southeast

Angela Morales Bldg.

6815 Rustic

Houston, TX

April 8, 2006

9:00am-3:00pm

Houston Community College-Northline

401 Northline Mall

Houston, TX

### HIGHLIGHTS:

- Computer Assistance
- Bilingual Assistance Available
- Personal consultations and enrollment
- Plans available in one location
- Family and Caregivers are welcome

### IMPORTANT:

Bring a list of your prescription drugs and dosages.

For more information, please call:  
713-914-7103

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[www.house.gov/green/](http://www.house.gov/green/)

## Study Supports Need for Medicare Negotiations for Prescription Drugs

In creating the Medicare prescription drug benefit, the Medicare Modernization Act expressly prohibited the Medicare program from negotiating with pharmaceutical companies to obtain the lowest prices possible for Medicare beneficiaries. In comparison, the Veterans Administration (VA) currently negotiates directly with pharmaceutical companies to determine the prices veterans pay for prescription drugs obtained from the VA.

A recent study by the minority staff of the House Committee on Government Reform shows that Medicare beneficiaries are not benefiting from the lowest possible drug prices. Specifically, the study compared drug prices offered by the ten leading drug plans with prices negotiated by the federal government, as well as prices available at Costco and consumers in Canada. When comparing the top ten most-commonly prescribed drugs, the study found that prices offered by the Medicare drug plans are more than 80 percent higher than prices negotiated by the federal government.

For example, the average price of Lipitor under the Medicare prescription drug benefit was \$71.27 for a 30-day supply, whereas the federal government has negotiated a price of \$41.57 for the same supply of Lipitor. Under the Medicare prescription drug benefit, the average price for a 30-day supply of Zocor was \$131.81; however, the federally-negotiated price stands at \$69.27. The study also revealed that prices under the Medicare drug benefit were more than 60 percent higher than prices available in Canada and 3 percent higher than prices available at Costco.

To make matters worse, the law does not provide Medicare beneficiaries with any assurance that prescription drug prices will remain constant throughout their enrollment period. A second analysis by the minority staff of the House Government Reform Committee concluded that the prices offered by the ten leading Medicare drug plans increased by more than 4 percent in the first seven weeks of the program. Specifically, nine of the ten leading drug plans increased prices in the first weeks of the program. Of the ten

most-commonly prescribed drugs in these plans, 77 percent cost more in February 2006 than the prices published in December 2005.

For example, the average price of Plavix under the Medicare prescription drug benefit was \$119.64 in December 2005. By February 2006, that price rose 11 percent, to \$132.74. Likewise, the price of Aricept, which cost \$138.54 in December 2005, rose 10.8 percent by February 2006, to a total cost of \$153.53.

Medicare beneficiaries, many of whom live on fixed incomes, deserve an affordable and stable prescription drug benefit under Medicare. For this reason, I support efforts in Congress to allow the Medicare program to negotiate directly with the pharmaceutical companies to obtain the lowest prices possible for our Medicare beneficiaries. The purchasing power of 42 million Medicare beneficiaries offers the federal government a tremendous negotiating advantage – one we should utilize to get the best deal possible for Medicare beneficiaries and American taxpayers alike.



Congressman Gene Green speaks with Magnolia Seniors about upcoming Medicare Part D Enrollment Workshops scheduled for April 1st at HCC-SE Campus and April 8th at HCC-Northline Campus

## Open Enrollment Period for Prescription Drug Benefit Closes May 15, 2006

Since November 15, 2005, Medicare beneficiaries have been able to enroll in the Medicare Part D prescription drug benefit, which went into effect January 1, 2006. The open enrollment period for this benefit closes on May 15, 2006. Beneficiaries enrolling in the prescription drug benefit after May 15, 2006 may incur higher premiums or penalties for late enrollment.

Medicare beneficiaries in Texas have more than 45 stand-alone prescription drug plans from which to choose. Additionally, 22 Medicare Advantage plans offer coverage to Medicare beneficiaries in Harris County. Monthly premiums charged by these plans range from \$14 to \$68, and each plan differs with regard to co-payments, deductibles and coverage of certain prescription drugs.

Since the open enrollment began, Medicare beneficiaries have become frustrated and confused by the different plans available to them and the important decisions they must make. For this reason, Congressman Green has supported efforts in Congress to extend the current May 15, 2006, deadline so that seniors have more time to choose a prescription drug plan that best meets their needs.

To compare prescription drug plans available in our area, Medicare beneficiaries or family members can call 1-800-MEDICARE or visit <http://www.medicare.gov>. Additionally, our office is sponsoring two events during which beneficiaries can receive help with their plan options.



Congressman Gene Green discusses nutrition with constituent. To learn more about senior nutrition programs in our community, please contact the Harris County Area Agency on Aging at 713-794-9001.

## Medicare to Offer Preventive Aneurysm Screening

In February, Congress enacted legislation providing Medicare beneficiaries with screenings for abdominal aortic aneurysms (AAA). Originally sponsored by Congressman Green, this provision allows all Medicare beneficiaries with a family history of AAA or male beneficiaries who have ever smoked to receive an AAA screening during their Welcome to Medicare physical.

AAA is an abnormal expansion of the abdominal portion of the aorta, the largest artery in the body. Most AAAs are never diagnosed because there are no physical symptoms; however, nearly all AAAs can be detected through an ultrasound screening test. Prevention of AAA rupture is critical for individuals with this condition, often termed the silent killer. When the aneurysm causes the artery to rupture, the patient survival rate is less than 15 percent. If detected before rupture, AAA is curable in 95 percent of patients. The inclusion of AAA screenings in Medicare's new set of preventive benefits will allow at-risk beneficiaries to detect AAA and undergo the treatment necessary to stave off a painful and often-deadly rupture.

## Administration's Budget Includes \$36 Billion in Cuts to Medicare

On February 6, 2006, the President released his budget for fiscal year 2007, which included a \$36 billion cut to Medicare over the next five years. The bulk of the cuts would affect annual Medicare reimbursement levels for Medicare providers. These providers include inpatient hospitals, skilled nursing facilities, home health facilities, inpatient rehabilitation facilities and hospice providers. The budget, however, does not provide a solution to the proposed cuts in Medicare physician payments, which could threaten seniors access to health care under Medicare.

The budget also attains Medicare savings by increasing Medicare Part D premiums for certain upper-middle income beneficiaries beginning in 2007. Under the budget, the income thresholds for higher premiums are not adjusted for inflation, meaning that more seniors will reach the thresholds for higher premiums each year. This proposal will cause 3.8 million seniors to pay higher premiums in the next ten years.

## Administration's Budget Includes a Renewed Call for Social Security Privatization

On February 2006, the President released its budget for fiscal year 2007. Included in this budget was a renewed call for the partial-privatization of Social Security. Despite Administration claims that privatization would strengthen the Social Security program, its budget acknowledges that a move toward private accounts would both weaken the program and increase the national debt.

Specifically, the budget projects that privatization will drain \$712 billion from the Social Security Trust Fund in the next ten years. In the first twenty years of private accounts, the plan would force the government to borrow an additional \$5 trillion, adding to our national debt.

In addition to the privatization proposal's detrimental impact on the federal budget, the proposal would also impose serious benefit cuts on Social Security beneficiaries - regardless of whether they open a private account.

The proposal would impose the largest single benefit cut in the program's history on anyone earning more than \$20,000 a year. These benefit cuts fall disproportionately on middle class Americans, cutting benefits by more than 40 percent for future retirees.

Social Security has long safeguarded Americans' independence and economic security in their retirement years. The establishment of risky private accounts would take away this economic security and subject Social Security beneficiaries to the whims of the market. Americans have earned their Social Security benefits and any changes to the program should strengthen the program without increasing the deficit, harming the middle class, or slashing guaranteed benefits.



Congressman Gene Green speaks to a group of his constituents at a event at the Capitol in Washington, D.C. on Social Security Privatization.

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

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