

At Capitol Hill press conference, coalition calls for fast action on money-saving measure

Rep. Peter Welch (Vt.) and a coalition of 61 House members introduced the Medicare Prescription Drug Price Negotiation Act of 2010 Wednesday at a Capitol Hill press conference.

Members called for swift action on the standalone bill, even as congressional leaders work with President Obama to pass comprehensive health reform legislation. The bill is based on a Welch-sponsored amendment that was included in the House-passed Affordable Health Care for America Act (H.R. 3962).

The legislation would require the Secretary of Health and Human Services to negotiate prescription drug prices on behalf of Medicare Part D beneficiaries for the first time since 2004, a move that could save taxpayers \$156 billion over ten years.

Negotiation Saves Money

	Part D Non-negotiated Price	VA Negotiated Price	Negotiating on behalf of Medicare Part D patients could save
Nexium	\$1433	\$848	\$156 billion over ten years
Fosamax	\$764	\$250	
Protonix	\$1148	\$215	
Zocor	\$1486	\$127	
Per patient, per year			

"Saving seniors and taxpayers money by putting the federal government's purchasing power to work is simply common sense. That we continue to pay retail rates for wholesale purchases is a crime," Rep. Welch said. "It's long past time we put an end to a misguided policy that has costs seniors and taxpayers billions of dollars a year."

Taxpayers fund more than three-quarters of the cost of the Medicare Part D drug benefit, accounting for \$50 billion worth of drugs in 2009 alone. Yet the program, which serves 28 million seniors, has been barred from negotiating rates with the pharmaceutical industry since 2004.

The Department of Veterans Affairs has reduced costs significantly by negotiating rates. One Families USA report found that the top five Medicare Part D insurers charged prices 58 percent higher than the VA for 20 commonly prescribed drugs.

In 2007 the House passed a bill similar to the Medicare Prescription Drug Price Negotiation Act of 2010 by a vote of 255 to 170 with strong bipartisan support and 198 cosponsors. The measure gathered further momentum last November when it was included in the Affordable Health Care for America Act and passed by the House.

"The ability to negotiate the cost to taxpayers of prescription drugs purchased through the Medicare program has the potential to be the single-largest savings in government in a long time. Before we ever trim benefits to senior citizens, we must consider the efficiency of the programs that serve them. We have a duty to the taxpayer to get the best bang for the buck, especially on costly pharmaceuticals for which the federal government facilitates purchases in such large quantities," said Rep. Jo Ann Emerson (Mo.).

"For too long, big drug companies have been given a free pass to steal from the pockets of the American people. It is a moral imperative for us to act now on behalf of Medicare D participants to help negotiate fair prices for desperately needed medications," Rep. Marion Berry (Ark.) said.

"This is simple, common-sense legislation that will save the American taxpayer billions of dollars," said Rep. John Salazar (Colo.). "It deserves the opportunity for a strong bipartisan vote in the House as quickly as possible."

"Today we seek to finally put an end to the outrageous policy enacted by the previous administration that for no good reason prevents the federal government from negotiating with pharmaceutical companies for discounts on drugs that are being bought in bulk for the Medicare Part D program," said Rep. Maurice Hinchey (NY). "While Congress continues to work toward a final health care overhaul, this bill would ensure seniors and other Medicare beneficiaries don't have to wait any longer for reduced priced drugs. This bill would put the government on the side of seniors, instead of the drug industry by enabling the government to finally negotiate with drug companies for better prices."

"My patients and my constituents cannot afford to hold their breath any longer. It's time to negotiate for the highest quality care at the lowest possible prices," said Rep. Steve Kagen (Wis.)

"Under the Bush drug plan, negotiating lower drug prices was banned, hurting seniors and creating huge windfall profits for pharmaceutical companies. It is long past time for this to change," said Rep. Peter DeFazio (Ore.). "This common sense bill will end this inequity, rein in the exploding costs of prescription drugs and end the windfall."

"Medicare Part D was set up as a giveaway to the big drug companies," said Rep. Chellie Pingree (Maine). "When Congress passed the law they made it illegal for Medicare to demand discounts from the drug companies—which is a bad deal for seniors and a bad deal for taxpayers. It's time we stopped lining the pockets of the big pharmaceutical companies and started putting some of that money back into the pockets of our seniors."

Sponsors of the bill include Reps. Welch, Emerson, Schakowsky, Salazar, Berry, Grijalva, Hinchey, Conyers, Charlie Wilson, Baldwin, Hodes, Titus, Taylor, Ellison, D. Moore, Schwartz, Lipinski, H. Johnson, McGovern, Olver, Langevin, Wu, Klein, Pingree, Kaptur, Harman, Loeb sack, Wasserman-Schultz, Nadler, Hall, Oberstar, Braley, Hare, Heinrich, Capps, Stupak, Sutton, Shea-Porter, Cardoza, Arcuri, DeFazio, Tim Ryan, Carney, Van Hollen, Boswell, Doyle, Israel, Delahunt, Tim Bishop, DeLauro, McGovern, Michaud, Capuano, Chandler, E. Markey, Kildee, Filner, Carnahan, Weiner, McDermott, Yarmouth, Woolsey and Kagen.

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