

Op-Ed on Prescription Drugs

By Rep. Henry A. Waxman

Movie theaters offer discounts to seniors. So do lots of restaurants and other businesses. Major airlines provide special senior fares and reduced-price package deals, while hotels often subtract a percentage from standard rates for their senior customers. Even the National Park Service has a "Golden Age Passport" that saves money for older Americans.

But not prescription drug manufacturers. Instead, they charge senior citizens the highest prices in the world for prescription drugs.

Most people know about the incredible hardships many elderly face in obtaining the medicines they need to survive. It's simply heartbreaking to hear a 70-year-old woman explain that she can't buy her medicines because the health of her spouse is failing, and the couple's income won't cover drugs for both of them. When older Americans make these sacrifices and leave their prescriptions unfilled, it can lead to recurring hospitalizations and risky gambles with fragile health conditions. Yet many continue on this cycle because the drugs are just too expensive -- and they have no other costs to cut.

Though familiar with these hardships, most people don't know that one of the main reasons drug prices are so high for seniors is that they are being gouged by the drug manufacturers.

Although hard to believe, it's true. During the last three years my office has analyzed prescription drug pricing in all parts of our country. Without exception, we have found that seniors who lack prescription drug coverage are the victims of price discrimination when buying the medicine they need to stay well.

And here, on the Westside, uninsured seniors face the most discriminatory pricing of any congressional district we surveyed. In the 29th Congressional District, uninsured seniors pay 166% more for their medications than the drug companies' favored customers, such as HMOs and the federal government. This means that Los Angeles seniors without drug coverage are being forced to pay more than double what others pay for the same medicines.

Study after study reveals the broad extent of drug companies' price discrimination. Not only do uninsured seniors pay double what favored U.S. customers pay, our studies show that they also pay twice what consumers in Mexico and Canada are charged for the same drugs. We even discovered that when drugs are used to treat animals as well as people, manufacturers price the human version far higher than what they charge for the animal version -- for the same medicine.

What makes this price gouging so outrageous is that prescription drugs aren't like movie tickets or restaurant meals. They are a necessity, not a luxury. And more than any other group, seniors depend on these medicines. Although they make up just 12% of the population, seniors

use one-third of all prescription drugs. Older Americans who use prescription medications -- nearly 90% of seniors -- require an average of over 20 drug prescriptions a year. And this year, almost one quarter of seniors will spend \$2000 on drugs alone.

For the most fortunate seniors -- those who have drug coverage under an employer-sponsored plan -- their drug costs are manageable. But for many seniors, the costs are simply unaffordable. One out of every three seniors has no insurance for prescription drugs. Among those who do, the coverage is often inadequate. These older Americans don't have the option of pursuing a higher paying job to cover the cost of a new medicine or a price increase on a drug already prescribed to them. While the prices of their medicines are expanding at alarming rates every year, senior incomes so often remain unchanged. And the result is seniors are forced to skimp on necessities to afford their prescription drugs.

Fortunately, something can be done. Two important proposals are now pending in Congress that provide commonsense solutions. One is the Prescription Drug Fairness for Seniors Act, which proposes a market-based approach to lower drug prices for seniors without imposing new burdens on federal taxpayers. Under the bill, drug companies would be free to set their own prices, but they could no longer discriminate against uninsured seniors.

Ending discrimination is an important but modest step. It's also essential that we pass the Access to Rx Medicare Medications Act. This bill would add a prescription drug benefit to the Medicare program that would guarantee affordable drug coverage to all seniors and secure low drug prices for beneficiaries by using negotiating mechanisms common in private insurance.

Tom Brokaw calls today's seniors the "Greatest Generation." In this first year of the new century, the strength of our nation rests firmly on the remarkable victories and achievements that they, as young citizens, carried out for the future: for us. Protecting our well-being became their responsibility, and they rose to the challenge. It is now our turn to honor the difference they made by ensuring that seniors are respected, not exploited. Today's seniors have earned better than unfair drug prices and poor health coverage that denies them access to essential medicines. Now that the interests of this "Greatest Generation" are our responsibility, let's follow their example and deliver the victory that they deserve.