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ONE HUNDRED NINTH CONGRESS

# Congress of the United States

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### Remarks of Rep. Henry A. Waxman Democratic Response to the President's Radio Address January 28, 2006

Good morning. I'm Congressman Henry Waxman of California, the senior Democrat on the Government Reform Committee. I want to talk to you today about the new Medicare prescription drug benefit that went into effect on January 1st. That should have been a day when seniors and persons with disabilities received simple and certain Medicare coverage for their drugs. Their Medicare card should have been the only proof of eligibility they needed.

But instead, they are facing enormous disruptions. Seniors are being denied medications. Their Medicaid drug coverage was abruptly terminated. And a blizzard of red tape has engulfed seniors, pharmacists, and doctors alike.

The new program is incredibly complicated, and many of our most vulnerable seniors are falling through the cracks. Particularly tragic is the situation of people in nursing homes, people with Alzheimer's, people with mental illness — all being asked to cope with a system that they can't possibly understand.

Medicare was born 40 years ago. In many ways, the start-up challenges then were more daunting than we face today. The Johnson Administration had to launch the entire Medicare health insurance system from scratch. And it had to do all this without vast computerized databases and instant electronic communications.

But 40 years ago, seniors experienced none of the chaos that they are experiencing today. What went wrong this time that went right 40 years ago?

A large part of the problem is the legislation that the Republican Congress passed in 2003. Instead of using Medicare, which seniors and persons with disabilities have relied on for years, the program was turned over to hundreds of private insurers who can charge what they want, cover what drugs they want, and change what they cover at will.

Instead of the certainty of Medicare coverage, seniors are now faced with a confusing array of choices, inaccurate information, and sometimes even higher costs. They are even threatened with penalties if they don't sign up at all.

And instead of Medicare negotiating low drug prices for our seniors, insurance companies are making their own secret deals with drug companies.

Why did this happen? I've been in Congress for over 30 years, and I have never seen a more dishonest legislative process than the one used to pass the Medicare prescription drug bill. Negotiations were behind closed doors. Lobbyists knew more about what was happening than most Members of Congress did. Key estimates about the bill's cost were illegally withheld from Democrats. And both the Administration's point man on the legislation and one of the lead Republican authors in Congress were negotiating — at the same time — high-paying jobs representing the pharmaceutical industry.

Given this record, it's not surprising that the interests of the drug companies and the health insurers who gave millions of dollars to Republican members of Congress came first — and seniors last. Corruption, incompetence, and an ideology that favors private profits over public programs all played a role.

An astounding study came out last week. It showed that if American seniors had access to the lower drug prices offered in Canada, seniors could save more money than they can under the new Medicare drug benefit. Of course, seniors and persons with disabilities should have Medicare drug coverage. But they should get low prices too. That would be a better deal for them — and for taxpayers.

We need to go back to basics. Put prescription drug coverage in regular Medicare. Make the choice simple. Make the benefit understandable. Use the purchasing power of all of America's seniors to get low prices and better coverage.

On this issue, America's seniors — and America's taxpayers — deserve honesty, simplicity, and a fair deal.

I'm Congressman Henry Waxman. Thank you for listening.