

DAN BURTON, INDIANA,
CHAIRMAN

BENJAMIN A. GILMAN, NEW YORK
CONSTANCE A. MORELLA, MARYLAND
CHRISTOPHER SHAYS, CONNECTICUT
ILEANA ROS-LEHTINEN, FLORIDA
JOHN M. McHUGH, NEW YORK
STEPHEN HORN, CALIFORNIA
JOHN L. MICA, FLORIDA
THOMAS M. DAVIS, VIRGINIA
MARK E. SOUDER, INDIANA
JOE SCARBOROUGH, FLORIDA
STEVEN C. LATOURETTE, OHIO
BOB BARR, GEORGIA
DAN MILLER, FLORIDA
DOUG OSE, CALIFORNIA
RON LEWIS, KENTUCKY
JO ANN DAVIS, VIRGINIA
TODD RUSSELL PLATTS, PENNSYLVANIA
DAVE WELDON, FLORIDA
CHRIS CANNON, UTAH
ADAM H. PUTNAM, FLORIDA
C.L. "BUTCH" OTTER, IDAHO
EDWARD L. SCHROCK, VIRGINIA
JOHN J. DUNCAN, JR., TENNESSEE

ONE HUNDRED SEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-3074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
TTY (202) 225-6852

www.house.gov/reform

HENRY A. WAXMAN, CALIFORNIA,
RANKING MINORITY MEMBER

TOM LANTOS, CALIFORNIA
MAJOR R. OWENS, NEW YORK
EDOLPHUS TOWNS, NEW YORK
PAUL E. KANJORSKI, PENNSYLVANIA
PATSY T. MINK, HAWAII
CAROLYN B. MALONEY, NEW YORK
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
ELIJAH E. CUMMINGS, MARYLAND
DENNIS J. KUCINICH, OHIO
ROD R. BLAGOJEVICH, ILLINOIS
DANNY K. DAVIS, ILLINOIS
JOHN F. TIERNEY, MASSACHUSETTE
JIM TURNER, TEXAS
THOMAS H. ALLEN, MAINE
JANICE D. SCHAKOWSKY, ILLINOIS
Wm. LACY CLAY, MISSOURI
DIANE E. WATSON, CALIFORNIA

BERNARD SANDERS, VERMONT,
INDEPENDENT

FOR IMMEDIATE RELEASE
July 12, 2001

For more information, contact:
Karen Lightfoot at 202-225-5051

REP. WAXMAN SAYS PRESCRIPTION DRUG DISCOUNT CARDS FAIL TO PROVIDE MEANINGFUL SAVINGS TO SENIORS

Rep. Henry A. Waxman today expressed disappointment over the Bush Administration's proposal to address high drug prices by encouraging seniors to purchase drug discount cards. "The President's plan is a mirage that offers the illusion of help but fails to provide meaningful relief," said Rep. Waxman. Rep. Waxman released an analysis of prescription drug discount cards which reveals that many offer little, if any, savings.

"This report shows existing drug discount cards fail to provide any significant help to senior citizens," said Rep. Waxman. "These cards promise discounts of 25%, 35%, 50% and more, but they fail to deliver these savings."

The report finds that for the five most popular drugs for seniors, prescription drug discount cards, on average, provide a discount of less than 2% compared to other prices available to seniors. This comparison does not take into account the annual membership fees – up to \$69.95 a year. If these costs are taken into account, the small price advantage of the drug cards disappears.

"It's cruel to promise seniors that help is on the way and then not deliver the assistance," said Rep. Waxman. "If the Bush plan operates like current prescription drug cards, it will never make prescription drugs more affordable to most seniors."

The report compares the price of a one-month prescription for the five highest selling drugs for seniors under discount drug card plans with some of the better prices currently available to seniors. Under the five private drug card programs examined, the average market price of a basket of these drugs is \$426. In comparison, the same drugs from Drugstore.com cost only \$433 – a 2% difference.

For a market basket of the five drugs, the Merck-Medco/Readers Digest plan price is \$421.55, a 2.7% savings. Annual median spending by seniors on drugs is \$1,028 per person. Under the Merck-Medco/Readers Digest plan, a typical senior who saved 2.7% on drug purchases would save \$27.69 per year. After taking into account the annual \$25 fee, the savings would be just \$2.69.