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**STATEMENT BY SENATOR EDWARD M. KENNEDY ON MEDICARE PART D  
DEADLINE**

*(AS PREPARED FOR DELIVERY ON SENATE FLOOR)*

For seniors in Medicare, today is Judgment Day -- the day when the misjudgments, the failures and the basic errors of competence in implementing the Republican Medicare law will bite into the savings of some 8 millions seniors across America.

Today, a bad situation will get worse, as seniors are hit with financial penalties if they have been unable to wade through the complicated tangle of private insurance plans in the Part D program.

In Massachusetts, citizens have over 45 stand-alone drug coverage plans and a number of HMO plans to choose from, each with different drugs offered at different prices. Seniors have to work out which plan covers which drug at which price with what co-payment and what deductible for dozens of separate plans. They've struggled with long waits on the Medicare Help Line and inaccurate and frequently changing information about the program, as even the Administration struggles to understand and explain it.

The Administration has said that their computer programs will enable seniors to decide which plan to choose. But not every senior is computer-literate, and many do not have access to the internet. The program is so confusing that even HHS Secretary Leavitt couldn't work out which drug plan was right for his parents. Imagine how difficult the choice is for seniors who don't have the Secretary of HHS to help them!

If seniors haven't worked through all that confusion by today's arbitrary and punitive deadline, the Republican Medicare law hits them with a fine that grows month after month for as long as they do not sign up for the program.

Every Member of the United States Senate and our staffs, and the employees of every federal agency can obtain health insurance through the Federal Employees Health Benefit Plan. It's voluntary. Most people sign up for coverage but some may decide not to, because they are included in a spouse's policy, or have some other coverage.

Are Members of Congress who decide not to sign up for the federal coverage hit with extra payments when they do enroll? Of course not. But the GOP law says that seniors who don't sign up by today's deadline will have to pay a penalty when they do sign up. Those payments will go up and up and up the longer seniors decide not to enroll.

The Republican majority isn't rushing to impose fines on Members of Congress who don't sign up for health care by some arbitrary date -- but that didn't stop them from enacting a law that penalizes seniors who miss the Medicare deadline.

Senator Bill Nelson has introduced important legislation to let seniors make their selection of a drug plan without being coerced into a premature choice by today's deadline.

The Administration says that enrolling in the drug benefit is entirely voluntary B but it's hardly

voluntary, if you have to pay a fine when you don't join by an arbitrary deadline. The proposal that Senator Nelson has offered will waive the penalties that seniors otherwise have to pay for not signing up for a drug plan in time.

The fiasco of today's punitive deadline is all the more serious because enactment of a good Medicare drug program could have been -- and *should* have been -- a chance to make real progress on meeting the health care needs of American seniors.

Passage of Medicare was one of the great triumphs of public policy of the past half-century. The great unfinished business of Medicare in recent years has been to provide good insurance coverage for the drugs that millions of seniors need to protect their health and save their lives. The Senate finally acted to provide that coverage, but the bill was hijacked when the White House entered the negotiations.

Instead of the strong, bipartisan approach we had in the Senate, the Part D program was handed over to the pharmaceutical and insurance industries, and the result has been a disaster.

Senator Nelson's proposal to waive the Medicare enrollment penalty will address one of the major flaws of this legislation, but there are other glaring problems to be corrected too.

Congress should enact legislation to give seniors the option of choosing the Medicare they know and trust to administer the drug program. If those who wrote this bill are so sure that private plans can do a better job of delivering prescription drug coverage than Medicare, why not agree to test it through competition.

Real competition would let seniors make a free choice between private plans and the Medicare they know and trust. Real competition would let Medicare and private plans compete on a level playing field, without the billions of dollars in subsidies the Republican bill gives to private plans.

Real competition would give Medicare the same bargaining power to negotiate discounts on drugs that major corporations have when they cover prescription drugs for their employees.

Companies across America negotiate the prices they pay for the goods they buy. But can Medicare negotiate for the price of the drugs it buys for seniors? No, the Republican Medicare law makes it illegal.

We know that when federal agencies negotiate for drug price discounts, they get them. The Veterans Administration does it and millions of veterans get the benefit of their discounts.

It's time for Congress to fix the failures of the new Medicare drug law. Let's end the abusive penalties that coerce seniors into private drug plans. Let's give seniors a real choice by allowing them to stay in traditional Medicare. Let's end the outrageous ban on bargaining for price discounts.

I urge the Senate to take an important first step by approving Senator Nelson's proposal. Let's begin the work now of fixing the flawed Medicare program.

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