



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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## Grassley Decries Democratic Leaders' Political Hypocrisy on Medicare

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over Medicare, today urged the House and Senate Democratic leaders to stop their election year hypocrisy over the Medicare prescription drug benefit. The text of his letter follows.

February 16, 2006

The Honorable Harry Reid  
Democratic Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Democratic Leader  
United States House of Representatives  
Washington, DC 20515

Dear Democratic Leader Reid and Democratic Leader Pelosi:

I am disappointed, but not surprised, by the tactic announced by the Democratic Leadership to have one thousand town hall meetings to “drive [your] message home” about the Medicare prescription drug benefit. Election years often give rise to behaviors that politicize important issues. The materials prepared and released by the Democratic Leadership clearly demonstrate that this election year will not be any different.

As we head down this path, though, I want to make sure that you are aware of serious inconsistencies in your approach that reveal its inherent political hypocrisy and opportunism.

Previous legislation sponsored by more than one hundred Democratic Members of Congress, including Members of the Democratic Leadership, have commonalities with the present Medicare prescription drug benefit. Democrats wanted the benefit to be offered by private plans;[i] to have an initial enrollment period of similar duration [ii]; to apply financial penalties for delayed enrollment [iii]; and to permit plans to use formularies [iv], among others.

Perhaps the most hypocritical aspect of the recent attacks on the Medicare prescription drug benefit relates to the non-interference clause – the so-called prohibition on government negotiations between prescription drug plans and manufacturers. It was reported that Democratic Leader Pelosi posed the following question: “Imagine, having a provision in the bill that prohibits the government from negotiating lower prices?” It’s not my imagination that over one hundred Democratic Members of the House and thirty-three Democratic Senators had bills to do just that. [v]

I find it rather disingenuous that Democrats in this election year are now disassociating themselves from their previously held ideas that have been incorporated into the current Medicare prescription drug benefit. It leads one to question the motivation in now referring to these ideas as corrupt and calling for changes in the program.

Millions of prescriptions have been filled without incident since January 1, 2006. Strong competition among prescription drug plans has led to lower costs for both beneficiaries and taxpayers. Monthly premiums for beneficiaries in 2006 are now expected to average \$25, down from \$37; the benefit’s total cost is estimated to be \$130 billion less over the next ten years.

Despite these successes, I agree that these initial stages of implementation have run into some disappointing problems, most of which involve drug coverage for dual eligible beneficiaries. I, for one, opposed transitioning dual eligible beneficiaries’ prescription drug coverage from Medicaid to Medicare. In fact, forty-two Democrats, including you, Senator Reid, voted to change the drug coverage for dual eligible beneficiaries from Medicaid to Medicare regardless of the concerns raised during that debate about the likelihood of problems that we are now seeing. Dual eligible beneficiaries are among the most frail and vulnerable. Change can be very disruptive for these beneficiaries. It would be unrealistic to think that such a massive transition could occur without any difficulties, which is why I argued against this transition as did many others.

The hardships faced by these beneficiaries need to be fixed and fixed fast. I and my Republican colleagues are dedicating our energies toward accomplishing that objective, rather than trying to score political points at beneficiaries’ expense. I hope the Democratic leadership will respond by joining us in putting beneficiaries first and by working in a bipartisan manner to ensure the program’s success.

Forty years ago, Bob Ball, former Commissioner of Social Security, offered the following comment on Medicare’s early implementation: “To a remarkable degree, opponents as well as supporters [of Medicare] tried hard to be helpful.” For the sake of beneficiaries, I ask that we heed those words and work in that spirit today.

Sincerely,

Charles E. Grassley  
Chairman

[i] Section 1860G(c)(2); S. 2541, 106<sup>th</sup> Congress; Section 1860G(c)(2); H.R. 4770, 106<sup>th</sup> Congress  
Section 1860(3); S. 2625, 107<sup>th</sup> Congress; Section 1860(3); SA 4309, 107<sup>th</sup> Congress

Section 1860(3); SA 4345, 107<sup>th</sup> Congress; Section 1859B(a)(8)(B)(iv); H.R. 5019, 107<sup>th</sup> Congress

[ii] Section 1859C(b)(2); H.R. 5019, 107<sup>th</sup> Congress

[iii] Section 1860C(b)(2); H.R. 4770, 106<sup>th</sup> Congress; Section 1859C(e)(1); H.R. 5019, 107<sup>th</sup>

Congress

Section 1860B(b)(1)(A); S. 2625, 107<sup>th</sup> Congress; Section 1860B(b)(1); SA 4309, 107<sup>th</sup> Congress  
[iv] Section 1860H(c); S. 2625, 106<sup>th</sup> Congress; Section 1860G(d)(4); H.R. 4770, 106<sup>th</sup> Congress  
Section 1860H(c)(2); SA 4309, 107<sup>th</sup> Congress; Section 1860(H)(c)(2); SA 4345, 107<sup>th</sup> Congress  
[v] Section 1860(b)(2); S. 2541, 106<sup>th</sup> Congress; Section 1860(b)(2); H.R. 4770, 106<sup>th</sup> Congress