



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

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Grassley Praises Crackdown on Deceptive Claims for Free Prescription Drugs

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today praised the Federal Trade Commission (FTC) for cracking down on a company over deceptive claims about the availability of free medicines. Today, at the FTC’s request, a U.S. District Court barred a company known as MyFreeMedicine.com from making the deceptive claims. Last year, Grassley informed the FTC about the company after hearing from an Iowan about her failed attempts to receive a refund from MyFreeMedicine.com.

“This is good news for consumers,” Grassley said. “It’s unconscionable for any company to prey on people who already were struggling to get needed drugs, raise their hopes, and cheat them out of money. I hope the FTC will continue to crack the whip on any dubious operation like this.”

According to the FTC, MyFreeMedicine.com makes numerous claims in both television and Internet advertising that consumers might qualify for free prescription medications. The FTC reported that MyFreeMedicine.com sales representatives repeatedly told consumers that they were eligible to receive free prescription medicines through its program and that medicines would be mailed directly to them. In fact, MyFreeMedicine.com simply sent consumers – after they paid nearly \$200 – application forms for patient assistance programs operated by pharmaceutical companies, the FTC reported. In fact, these patient assistance programs each have their own eligibility rules and many consumers learned that they did not qualify for assistance.

Despite claims on its Web site and in consumers’ conversations with its customer service representatives, MyFreeMedicine.com has routinely denied refunds for consumers who were not able to obtain their medicines through its program, according to the FTC. In addition to prohibiting the company from making deceptive claims, the court froze the company’s assets to preserve them for consumer redress. A hearing to extend the temporary ban is scheduled for Oct. 21, 2005.

“There are a number of legitimate resources to help people get their medicines, and they don’t charge a fee to learn whether or not you might qualify,” Grassley said. “A number of states operate prescription drug assistance programs. Private companies also offer help. People can learn more about them by visiting www.pprx.org or by calling 1-800-4PPNOW (1-800-477-2669) or visiting the Access to Benefits website at www.accesstobenefits.org.

“And this situation clearly illustrates why the new Medicare prescription drug benefit is so important. Beneficiaries deserve and need good drug coverage. Next month, beneficiaries in Iowa will be able to enroll in a Medicare prescription drug plan for a premium of as little as \$1.87 a

month. Beneficiaries with low incomes will receive additional financial assistance that will pay between 85 to 98 percent of their drug costs. Beneficiaries can learn more about the benefit by calling 1-800-Medicare or by visiting www.medicare.gov. They can call the Iowa State Health Insurance Information Program (SHIIP) at 1-800-351-4664. Beneficiaries also should be on the lookout for their 2006 Medicare & You Handbook, which describes the new program in great detail and includes a list of available plans.”

The FTC’s news release on MyFreeMedicine.com is available at <http://ftc.gov/opa/2005/10/myfreemed.htm>