



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Proposed regulations implementing Medicare drug benefit, Medicare Advantage
Da: Monday, July 26, 2004

Today, the Centers for Medicare and Medicaid Services (CMS) issued proposed regulations to implement the new voluntary Part D prescription drug benefit and the Medicare Advantage program established by last year's historic Medicare Modernization Act. Sen. Chuck Grassley, chairman of the Committee on Finance and a chief architect of the legislation, made the following comment on this development.

"This is another Medicare milestone. For the first time, Medicare will offer coverage for outpatient prescription drugs. These proposed regulations bring the nation's Medicare beneficiaries an important step closer to having this much-needed, affordable prescription drug benefit and a revitalized Medicare program. They'll help us finish the job for forty million seniors and Americans with disabilities.

"The Medicare drug benefit will provide significant financial protections for beneficiaries with low incomes and those with high drug expenses. The new benefit will provide coverage of as much as 85 to 98 percent of drug costs for those with lower incomes. The average senior will save about half off his or her drug costs. And the new drug benefit is voluntary. Those who are satisfied with the Medicare coverage they have today can keep it. The changes also strengthen the traditional Medicare program and add new voluntary coverage choices for beneficiaries for receiving Medicare benefits.

"CMS deserves significant recognition for its efforts to issue the proposed regulations in just under eight months after President Bush signed the Medicare bill into law. These proposed rules are designed to solicit input and comment, and I urge everybody interested to offer their views. The Medicare Modernization Act was a bipartisan effort, and I look forward to working in that spirit with CMS and everyone interested to ensure the program's successful implementation for our Medicare beneficiaries."