



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

TO: Reporters and Editors
RE: Kaiser Family Foundation/Harvard School of Public Health
survey on new Medicare law
DA: Tuesday, August 10, 2004

Sen. Chuck Grassley, Chairman of the Senate Committee on Finance, issued the following comment on the survey described today by the national Kaiser Family Foundation/Harvard School of Public Health regarding the new Medicare law.

"The Medicare Modernization Act made the most sweeping improvements to Medicare since the program's inception in 1965. Given the magnitude of the improvements, it's to be expected that it will take beneficiaries some time to learn about the new law. Without a doubt, there's been some confusion about it. This survey shows that we need to keep working to clear up that confusion. Among other key facts, we need to make sure that beneficiaries know that:

- The voluntary drug benefit will reduce the typical beneficiary's drug spending by 53 percent.
- About one-third of Medicare beneficiaries will be eligible for low-income assistance, meaning they'll have a drug benefit with no gap in coverage, and limited or no premiums, deductibles, or cost-sharing. For these beneficiaries, the drug benefit will cover as much as 85 to 98 percent of their drug costs.
- The law provides \$89 billion in retiree prescription drug subsidies, which should help more employers to continue to offer retiree health and prescription drug benefits.

"I've held 39 town meetings in Iowa this year on the new Medicare law. When participants in these meetings have gained a better understanding of the new benefits, their views have tended to become more positive. It's also been clear that any education campaign must use multiple approaches, from handouts on paper to information on-line and one-on-one counseling in person and on the telephone. Counselors from the State Health Insurance Information Program (SHIIP) participated in my meetings and proved to be an invaluable resource in directly helping beneficiaries. We also need to educate providers and family members who might be helping beneficiaries make health care decisions. Today's survey findings show that we have a lot to accomplish. Beneficiaries deserve nothing less from us than to help them take advantage of this important new benefit."