



Health News

Official Update for Southwestern Pennsylvanians from Congressman Tim Murphy

Low Cost Generics About to Hit Market

Murphy's Drug Bill Means Lower Costs for Seniors

When the patent for Pfizer's Lipitor expired last November, seniors who were enrolled in Medicare Part D saw big savings on their prescription drug bills. Co-pays for a 30-day supply of the cholesterol-lowering pill fell from a cost of \$50 down to as little as \$6. For some seniors, many of whom were living on a fixed income, it was \$528 in out-of-pocket savings per year.

These savings were possible because other drug makers sought and received approval from the Food and Drug Administration (FDA) to market a perfectly safe alternative or "generic" version of Lipitor.

Now, the President is about to sign into law legislation authored by Congressman Tim Murphy that will make more life-saving generic medications available for seniors.

Millions if not billions of dollars in savings are being left on the table because the FDA lacks the resources to approve generic



Rep. Murphy discusses his bill to expand generic drug coverage at a Senior Health Fair he organized in Westmoreland County.

medications in a timely manner. Murphy's bill will clear a backlog of 2,800 generic applications awaiting FDA review and factory inspection.

Rep. Murphy's bill authorizes the first-ever FDA program dedicated to approving generic medications and clearing the backlog. The Generic Drug and Biosimilar User Fee Act (H.R. 3988) was part of an FDA reform

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House Approves Murphy Drug Bill

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package that recently passed the House of Representatives. The legislation is paid for with \$1.5 billion from drug makers — not taxpayers. It is expected to become law this summer.

“Building an affordable healthcare system requires access to safe, cost-effective medications. This bill will save lives and billions of dollars for consumers,” said Rep. Murphy, who serves on the Energy and Commerce Committee’s Health panel and co-chairs the GOP Doctors Caucus.

The bill ensures companies continue to research and develop breakthrough drugs like Lipitor, which reduces risk of stroke, heart attack, and cardiovascular disease. These conditions are not only deadly, but also costlier to treat.

Just as important as expanding access to life-saving generics, the legislation also closes a major

safety gap in the drug supply chain. Right now, the FDA must visit domestic plants every other year but inspects foreign plants in places like China only once every nine years.

The risk of this disparity to the consumer was made shockingly clear in 2008 when nearly 200 people died from a contaminated batch of the blood thinner heparin produced by a Chinese factory that the FDA had never visited.

Beyond the clear public health benefits, the bill helps keep domestic manufacturers like Mylan, which is headquartered in Southpointe Washington County, globally competitive. Ensuring a level playing field for American drug manufacturers will preserve local good-paying jobs in our region.

For more info, visit Murphy.House.Gov.

Choices For Seniors With Medicare Reform

Seniors on Medicare are already familiar with choice. Seniors get to choose their Medicare supplemental plan, Part D drug plan, and some even choose Medicare Advantage plans, which cover all healthcare needs.

Competition between plans leads to higher-quality offerings and lower prices for seniors. For example, the Part D program, which has over 1,000 different plans, is 40% under budget.

Giving seniors more choices to help reduce Medicare spending is the focus of new legislation.

To put Medicare on a stable financial path, lawmakers have introduced bipartisan legislation to give seniors the choice between remaining in the current “fee-for-service” plan or a new model based

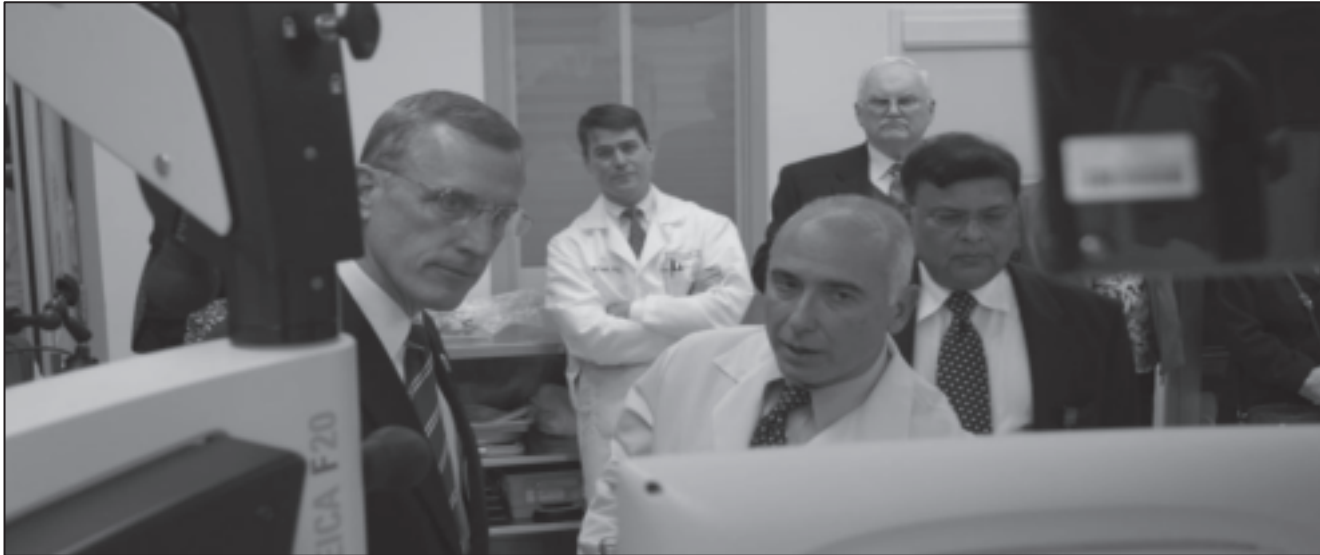
on Medicare Part D.

Medicare is widely credited with closing the poverty gap for seniors by covering high healthcare costs, but Medicare is on an unsustainable course. The program’s deficit is now greater than the \$30.8 billion deficit of Greece. More than \$500 billion was taken out of Medicare to pay for the 2010 healthcare law and by 2017 Medicare may run out of the money needed to pay seniors’ hospital bills. Should it become insolvent, the nonpartisan Congressional Research Service says there is no

legal authority to reimburse Medicare providers for seniors’ hospital care. That’s a serious concern.

Under this new reform proposal, seniors who are chronically ill or low-income would receive extra financial assistance from taxpayers to buy policies fitting their needs. Seniors who do nothing would remain in the current plan.

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At Jefferson Regional Medical Center, Rep. Murphy discusses how advancements in technology are leading to improved patient care.

Should It Take An Act of Congress?

Even Simple Common-Sense Fixes To Medicare Require Congressional Action

An obscure law meant to ensure taxpayers don't pick up the tab for a senior's hospital stay resulting from someone else's negligence is causing heartache for thousands of seniors across the country.

The Medicare Secondary Payer Act was created to prevent Medicare from paying medical expenses that were the responsibility of private insurers or other parties. For instance, if a senior were in a car crash or hurt by a defective product, the government picks up the hospital tab. But if the senior receives a legal settlement, Medicare is entitled to be repaid.

However, Medicare refuses to tell the two parties nearing a legal settlement how much it is owed. There are tens of thousands of seniors who are awaiting a settlement check because Medicare won't resolve these claims.

Some other seniors who have received a settlement were unaware they had to notify Medicare. These folks are now being denied health benefits or having their Social Security checks

garnished. It's a problem that needs to be prevented.

To fix this problem, Rep. Murphy introduced the **SMART Act (HR 1063)** so that Medicare would be required to report to settling parties how much is owed to the Trust Fund.

"There are hundreds of millions of dollars sitting in accounts because Medicare cannot tell third party providers how much they owe on a timely basis. That's bad for seniors who suffer needless delays in getting the compensation they are entitled to, and it's bad for taxpayers," said Rep. Murphy.

If the SMART Act was enacted, it is estimated taxpayers would recover more than \$1 billion according to a RAND Corporation study. The bill is supported by seniors groups, the Chamber of Commerce, and trial attorneys.

Murphy's bill ends the bureaucratic red tape to ensure the money from secondary payers is repaid quickly back into Medicare. The legislation has been subject of an Energy and Commerce Committee hearing and could soon come up for a vote.

Rep. Murphy Outlines Plan To Protect Medicare Benefits

As a senior member on the House Energy and Commerce Committee, Congressman Tim Murphy is pushing several key bills to strengthen and protect retirement programs.

Rep. Murphy introduced the Social Security and Medicare Protection Act, which places the tax money deposited into the retirement Trust Funds off-limits from Congress and the Administration and prevents Washington from raiding those programs. His bill would force the White House to restore the \$500 billion taken from Medicare to pay for the healthcare bill.

Murphy has also worked to push Medicare to crack down on fraud. Since most Medicare

crime is undetected, the government recovers just 3% of \$60 billion in fraudulent payments made each year. Sadly, the penalties are relatively lenient. A criminal can make \$25,000 a day scamming Medicare while it may take a drug dealer weeks to make that amount of money.

When criminals steal from Medicare, it's the **seniors who really need care are hurt** said Murphy. **Fraudsters should face stiffer penalties.** If caught and convicted a drug dealer may face life in prison but a Medicare fraudster would serve just five to ten years.

Murphy has also cosponsored legislation to **shut down the Independent Payment Advisory Board (IPAB)**, a new panel created by President Obama's healthcare law, made up of 15 unelected political appointees who do not need approval from Congress to enact major changes to Medicare. By law, fewer than half of IPAB's members have medical experience, and the panelists are even allowed to accept gifts.

"We need to put you and your doctor — not a panel of bureaucrats — in charge of your healthcare," said Rep. Murphy. The IPAB repeal bill has passed the House and awaits further action in the Senate.

There are other quality reforms to Medicare that will help improve the lives of seniors with chronic illnesses like diabetes and hypertension. Chronic illnesses consume 90% of Medicare spending, but Medicare won't pay doctors and nurses to help seniors manage these conditions, which lead to costly complications and hospital stays.



Rep. Murphy recently visited Canonsburg's Canon House where residents urged him to protect Social Security and Medicare.

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