



**U.S. Senator Harry Reid**

*The Silver State*

Assistant  
Democratic  
Leader

### **Senator Harry Reid on Medicare**

Senator Reid supports adding a comprehensive and voluntary drug benefit to the Medicare program, but has strong concerns about the drug bill that was recently signed into law by President Bush. Specifically, the new law:

► **Makes many seniors worse off than they are today.** The new Medicare law creates an incentive for employers to drop or reduce their drug coverage for retirees. The Congressional Budget Office estimates that this legislation will cause 2.7 million seniors to lose their retiree drug coverage. In addition, the bill prohibits Medicaid from paying for prescription drugs not covered by the new Medicare drug benefit, which will reduce drug coverage for up to six million low-income beneficiaries.

► **Moves more Medicare beneficiaries into private health plans.** The legislation actually increases payments to private health plans, which already are paid more than traditional Medicare. This overpayment creates an unlevel playing field whereby these heavily subsidized private plans will be able to offer extra benefits not covered by traditional Medicare. And if beneficiaries are not able to find an affordable drug-only insurance plan in their area, they may be forced to join an HMO or PPO.

► **The drug benefit is inadequate and complicated.** The drug benefit is far inferior to what working Americans and Members of Congress receive. Under this bill, seniors with \$400 in drug expenses each month will receive no coverage for more than six months of the year and will be responsible for paying about three-quarters of their drug expenses out of their own pocket.

► **Fails to reduce the high cost of drugs.** Containing rising drug spending is critical to adding a responsible Medicare drug benefit. Yet the law expressly prevents the federal government from using its purchasing leverage to reduce the prices of drugs covered by the new Medicare drug benefit. The law is also written in a way that ensures that reimporting prescription drugs from Canada will not be permitted.

Most of the provisions in the new law will not take effect until 2006. **Senator Reid will continue fighting until Congress passes legislation that provides a more generous drug benefit, lowers the cost of prescription drugs, and strengthens the Medicare program for this and future generations.**