

Congress of the United States  
House of Representatives  
Washington, DC 20515-4326

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**The Democrats on Medicare price negotiations: Politics vs. Seniors**

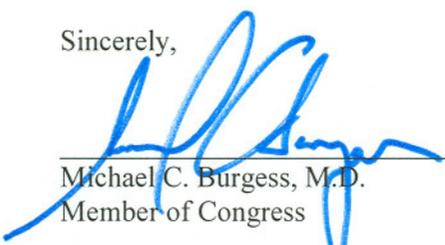
Dear Colleague,

With Nancy Pelosi's announcement that she plans to take up draconian reforms to the Medicare Prescription Drug Program in the first 100 hours, it is clear that the Democrats have chosen to push their political agenda over the health needs of America's seniors. Medicare Part D has been working very well and most seniors are happy. So if it isn't broken, why fix it? Here are a few inconvenient details that Nancy Pelosi and the Democrats have chosen to ignore at the peril of our Greatest Generation:

- The program cost for 2006 was \$13 billion below budget estimates. \$6.9 billion of that savings is attributed to competition.
  - *CNN online, 'Medicare drug benefit came in under budget,' November 28, 2006*
- The projected average premium was originally \$37 per month. Beneficiaries are actually paying an average premium of less than \$24 per month.
  - *CMS Office of Public Affairs, Press Release, July 11, 2006*
- In many instances, beneficiaries' annual costs will be lower in 2007.
  - *CMS Office of Public Affairs, Fact Sheet, October 13, 2006*
- 92% of Medicare beneficiaries will not enter the Medicare drug benefit's coverage gap because they will not be exposed to the coverage gap, or they have prescription drug coverage from plans outside of Medicare Part D, or have not yet enrolled.
  - *PriceWaterhouseCoopers, 'Significance of the Coverage Gap Under Medicare Part D,' June 8, 2006*
- More than 80 percent of Medicare drug plan enrollees are satisfied.
  - *Kaiser Health Poll Report Survey: Seniors' Early Experiences With Their New Medicare Drug Plans, June 2006*
- Nearly four out of five seniors (79 percent) said their total out-of-pocket costs are reasonable. Specifically, they reported that monthly premiums and co-pays are affordable (81 percent and 78 percent, respectively), and the majority (61 percent) said they now spend less on medications.
  - *Medicare Rx Education Network, Press Release, September 14, 2006*
- Negotiating prescription drug prices will actually lead to higher prices.
  - *The Wall Street Journal, 'Pelosi on Drugs,' November 13, 2006*
- Federal price negotiations will result in decreased investment in research and development, less new medicines, and ultimately, shorter American life expectancies.
  - *The Manhattan Institute for Policy Research, 'The Human Cost of Drug Price Negotiations,' November 29, 2006*

If Nancy Pelosi has her way and government price-fixers change Medicare Part D, seniors will pay more and Americans will suffer from a decrease in drug innovation. For more information, please contact Josh Martin at 5-7772 or [josh.martin@mail.house.gov](mailto:josh.martin@mail.house.gov).

Sincerely,

  
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Member of Congress