






## WAYS YOU CAN PARTICIPATE IN THE CAMPAIGN

-  Urge candidates running for office and current legislators to support bills that would:
- 1** Require Medicare to negotiate lower prices from drug companies.
- 2** Guarantee our right to safely import medicines from licensed pharmacies in Canada and the European Union.
- 3** Use the savings to close the donut hole (coverage gap.)
- 4** Give beneficiaries the choice to obtain prescription drug coverage directly from Medicare.
-  Tell EVERYBODY about the problems and solutions available to fix the Medicare D “disaster.”
-  Invite a representative from *United Senior Action* to speak to your group about ways they can act now to lower their prescription drug costs.
-  Write a “Letter to the Editor.”
-  Receive updates from *United Senior Action* on the progress of the Campaign and participate in future actions to further its goals as they are announced.

## WHAT IS MEDICARE PART D?

Medicare Part D is a federal program created with the promise that it would help lower the costs of prescription drugs for Medicare beneficiaries in the United States. It was enacted as part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) and went into effect on January 1, 2006.

The drug benefit is not part of the 'Original' Medicare program, which includes Part A for hospital care and Part B for physician, and outpatient care. The benefit has instead been outsourced to private insurance companies who then receive federal subsidies.

The program is designed in such a way that the participating insurance plans can change the drugs they cover anytime while the consumer is “locked in” for the entire year. Currently, there are 80-120 plans per state with each plan drastically varying in its premiums, deductibles, coverage gaps, lists of drugs they carry, restrictions on drug availability, drug prices, and pharmacies participating. There is also no standard terminology, so sellers can call the plan anything they want. They can also cover whatever drugs they want. Medicare is also banned from using its bargaining clout to negotiate for lower drug prices, adding billions to the drug companies bottom lines at the expense of the American taxpayer.



## ABOUT UNITED SENIOR ACTION

*Nearly three decades of educating and empowering seniors*

United Senior Action of Indiana is a statewide senior advocacy organization and is the sister organization of the United Senior Action Foundation. Created in 1979, USA now has over 14,000 members throughout the state. Our members have been on the forefront in assisted living advocacy and Indiana’s leading voice for nursing home reform, including:

- Winning fire safety measures requiring every Indiana nursing home to be fully sprinklered and to install smoke detectors in each resident’s room (2007)
- Winning strong criminal penalties for failing to report and abusing or neglecting an endangered adult (2004)
- Winning increases in the monthly amount of their own money that residents can keep for their personal needs from \$30 to \$52 (1998-2002)
- Leading efforts to widen the availability of affordable assisted living for consumers wishing to stay independent

Individuals who want to take action to improve the quality of care in nursing homes and assisted living residences are invited to join United Senior Action of Indiana at 317-634-0872 or 800-495-0872, or online at [www.usaindiana.org](http://www.usaindiana.org).

## United Senior Action’s



## To Lower Rx Drug Costs For Seniors by Fixing Medicare Part D



United Senior Action Foundation  
324 W. Morris Street, #114  
Indianapolis, IN 46225  
317-634-0872  
[www.usaindiana.org](http://www.usaindiana.org)

## MEDICARE PART D: THE COST



The cost to the Medicare program and the American taxpayer is huge (estimated to be about \$800 billion over the next ten years), yet the benefit is very poor for most Medicare Part D enrollees. Participants are burdened with as much as \$4,050 in out of pocket expenses (2008) in addition to monthly premiums, before catastrophic coverage kicks in. Furthermore, the benefit deteriorates year-after-year as the deductibles, co-pays, and coverage gap (donut hole) increases at about double the rate of inflation.

A report by the Center For Economic and Policy Research, *The Savings from an Efficient Medicare Prescription Drug Benefit*, found the Medicare Modernization Act (the bill that created Medicare Part D) is significantly more expensive than it needs to be because it was created to increase the role of private insurers, and protect the interests of drug companies, rather than efficiently administer health care. According to the study, potential savings would not only fully finance the drug benefit and thereby eliminate contributions from beneficiaries, it would still leave a surplus of \$40 billion which could be divided between state and federal governments.



## MEDICARE PART D: 4 POINT FIX

### 1 Mandate Medicare to negotiate for lower prescription drug prices.

Written more to drive excessive profits for private insurers than to benefit the consumer, the legislation that created Medicare Part D prevents Medicare from taking the cost cutting approach that the Veterans Administration has used for many years-- using their clout to negotiate lower prices. The difference between what veterans pay and Medicare part D enrollees pay are huge. Comparisons for the same drugs in the different programs vary as much as 300%, with a mean difference of 48%. Denied the right to negotiate on behalf of its beneficiaries, seniors and those with disabilities participating in the Medicare Part D program pay higher premiums, co-pays, deductibles, and other costs. Worse yet, most Medicare Part D plans have a coverage gap, often called a “donut hole.”

### 2 Medicare should cover safely imported medicines from licensed pharmacies in Canada and the European Union.

Currently Medicare is prohibited from covering safely imported medicines from countries with prescription drug regulatory systems as strong or stronger than what we have in the United States. Substantial savings can be found through safe, regulated importation.

### 3 Eliminate the donut hole

Once a Medicare Part D participant’s annual drug cost exceeds \$2,510 in total, they have to pay 100% of their future drug costs until they qualify for catastrophic coverage. While enrollees are receiving no savings from their plans, they are still required to continue paying their monthly premiums. Only after an enrollee pays \$4,050 out of pocket will their coverage resume. This coverage gap or “donut hole” can be eliminated by the savings created through negotiation and importing safe drugs from countries with prescription drug regulatory systems as strong or stronger than what we have in the United States.

### 4 Give beneficiaries the choice to obtain prescription drug coverage directly from Medicare

While Medicare is a program which has worked well for Americans, has contained costs effectively, has very low administrative costs, and enjoys huge public confidence, Part D abandons Medicare, and provides benefits only through a maze of private insurance companies. A real Medicare prescription drug benefit would be simple to understand and simple to sign up for. Virtually everyone who would benefit would be enrolled, just like Part A and Part B. It would also be simple to use – just take your Medicare card to the drug store, just like you get all other Medicare benefits.



**Win affordable Rx drugs through Medicare!  
Sign the pledge today.**

With a new president and congress, 2009 will be a year of dramatic changes. The time has come to *really* get an affordable prescription drug benefit for seniors and people with disabilities, not a scheme devised to drive outrageous profits for drug companies at taxpayers expense.

**Pledge today** to join the campaign to get legislators and candidates to fix the Medicare part D disaster! We will share your concerns with candidates and legislators and keep you informed about the status of the campaign and future ways you can participate.



**United Senior Action  
Campaign to Fix Medicare D**

First Name Last Name

Street Address City State

( )  
Phone Number Email

Please return completed pledge to:  
United Senior Action,  
324 W. Morris St., Suite 114  
Indianapolis, IN 46225

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