

The Commonwealth of Massachusetts



IN THE YEAR TWO THOUSAND AND FIVE

RESOLUTIONS

MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO REFORM THE MEDICARE MODERNIZATION ACT OF 2003.

Whereas, the U.S. Congress passed the Medicare Modernization Act of 2003, creating the Part D drug benefit available to the 42 million Americans who receive health coverage through Medicare beginning on January 1, 2006;

Whereas, that drug benefit is only available through a private drug plan (PDP) or a Medicare Advantage plan;

Whereas, Medicare is specifically prohibited from negotiating for drug discounts or taking any action to ensure that Part D drug prices are affordable;

Whereas, the Veterans' Administration and Medicaid have been able to provide substantially lower drug prices than Part D private drug plans through price negotiating authority;

Whereas, the cost of medications formerly provided through Medicaid and now provided through Medicare to the 6.2 million Americans eligible for both Medicare and Medicaid ("dual eligibles") is likely to increase in the absence of price negotiation;

Whereas, the Commonwealth of Massachusetts will have additional costs associated with the "clawback" provision of the Medicare law, which requires states to reimburse the federal government for the costs of dual eligibles;

Whereas, the Part D drug benefit has been confusing, complex and difficult to navigate for persons on Medicare, pharmacists, providers, and state agencies;

Whereas, persons on Medicare are denied the choice of enrolling in a Medicare-administered drug plan and are instead forced to choose among dozens of Part D private drug plans that differ in terms of premiums, cost-sharing, covered drugs and pharmacy access;

Whereas, Part D private drug plans can change their benefits, change their service areas, or even leave the market from year to year;

Whereas, Part D private drug plans can drop drugs from their formulary throughout the year while people with Medicare may change plans only once a year;

Whereas, 17 million people with Medicare still do not have drug coverage or have less drug coverage than provided under Part D;

Whereas, nearly 70 percent of people with Medicare have incomes under 300 percent of the federal poverty level (less than \$30,000 in 2006);

Whereas, an estimated 2.4 million people with Medicare will be ineligible for the federal “Extra Help” low-income subsidy program because of the asset test;

Whereas, at least 3.6 million people eligible for the federal “Extra Help” low-income subsidy program have not received this help;

Now, therefore, be it resolved that the Massachusetts Senate requests that Congress pass and the President sign legislation to improve the Medicare Modernization Act by:

- (a) Providing a drug benefit administered directly by Medicare;
- (b) Requiring price negotiation for the purchase of prescription drugs under the Medicare program;
- (c) Eliminating the asset test for the federal “Extra Help” low-income assistance program;
- (d) Automatically enroll all people eligible for the “Extra Help” program based on their income.