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Dear Representative:

H.R. 3767, the Medicare Prescription Drug Savings and Choice Act of 2004, would repair serious flaws in last year's Medicare legislation, but the House has blocked this important legislative fix from coming to a vote. Consumers Union urges you to sign the discharge petition offered by House Minority Leader Pelosi, Representative Frost and others so the full House may consider and enact legislation to offer elderly and disabled Medicare recipients real relief from the high price of prescription drugs

H.R. 3767 would benefit Medicare beneficiaries by requiring the federal government negotiate discounts on prescription drug prices. The 2003 Medicare legislation expressly prohibits the federal government from negotiating discounts for prescription drugs, instead relying on an untested private market-based model to ease the tremendous financial burden that prescription drug costs impose on elderly and disabled people. So far, market-based discount drug cards, the precursor to the private drug plans to be available in 2006, have produced only modest discounts. In contrast, the Veterans Affairs (VA) pharmacy program, in which the VA has used its significant purchasing power to negotiate lower drug prices, has produced deep discounts for veterans — and has saved taxpayer dollars. H.R. 3767 adopts the VA's successful model by allowing the federal government to negotiate drug discounts.

H.R. 3767 would create a nationally uniform Medicare-operated prescription drug plan. Under the 2003 legislation, most seniors and disabled people will have to purchase their medication through private HMOs or insurance companies. Because the 2003 legislation gives private Pharmaceutical Benefit Managers (PBMs) wide discretion to select and sell drugs to the private health plans, drug coverage will vary widely from state to state and even within a single region. H.R. 3767 brings uniformity back to Medicare by giving all seniors and disabled people across the country the option to select the Medicare-operated prescription drug program. H.R. 3767 gives all recipients access to the known and trusted Medicare program, a uniform formulary and a single-rate plan, no matter where they live.

H.R. 3767 would allow beneficiaries to benefit from more comprehensive coverage, funded by savings from negotiated drug discounts. By negotiating deep discounts and using cost-saving tools used by other Federal purchasers, this legislation would allow the Medicare option to use the savings to provide more comprehensive drug coverage, possibly even eliminating the so-called doughnut hole gap in coverage.

By signing the discharge petition to move H.R. 3767 to the floor, you can set the stage for meaningful action in the House to lower prescription drug prices for seniors and the disabled, and provide them with a nationally uniform prescription drug program that they know and trust.

Sincerely,

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