News From...

The Subcommittee on Human Rights and Wellness

Chairman Dan Burton (R ~ IN)

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CHAIRMAN BURTON EXPLORES MEDICARE LEGISLATION ALTERNATIVE

- "A MEDICARE PRESCRIPTION DRUG SAFETY NET: CREATING A TARGETED BENEFIT FOR LOW-INCOME SENIORS"-

Washington, D.C. - On June 27, 2003, the House of Representatives responded to the growing prescription drug crisis by passing "*The Medicare Prescription Drug Modernization Act"* (H.R.1), the single largest expansion of Medicare since its inception in 1965. At first glance, H.R. 1 appears to answer the prayers of every senior who has been faced with paying outrageous prices for prescription drugs. In reality, the bill creates an ill-conceived and incredibly expensive new open-ended entitlement program that places a tremendous financial yoke around the neck of American taxpayers for decades to come.

Congressman Dan Burton (R-IN), Chairman of the House Government Reform Subcommittee on Human Rights and Wellness, will hold an oversight hearing entitled, ***"A Medicare Prescription Drug Safety Net: Creating A Targeted Benefit For Low-Income Seniors,"* on Wednesday, September 24, 2003, at 12:00 noon, in Room 2154 of the Rayburn House Office Building.**

"Right now, Congress is considering an enormous and largely unnecessary open-ended expansion of the Medicare prescription drug entitlement program," stated Chairman Burton. "If this legislation passes there can only be two possible results: **large tax increases or huge new deficits.** We need a less expensive and more common sense approach to this problem. That is why I am suggesting a targeted prescription drug benefit that covers only indigent seniors and those seniors who cannot get other public assistance programs for their medicines, or who do not qualify for insurance coverage through either private or employer-provided plans."

Continued Chairman Burton, "Rather than craft a one-size-fits-all program that may undermine the benefits of those Medicare beneficiaries who currently have more comprehensive coverage, a better solution is to target the benefit to seniors who are truly in need of prescription drug assistance."

Of the just over 40 million Medicare beneficiaries, almost half (46 percent) already have fairly comprehensive drug coverage through an employer-sponsored retirement plan. Another 29 percent of Medicare beneficiaries have some drug coverage from another private or public source. It is only the remaining 25 percent of Medicare beneficiaries (about 10 million) who have no drug coverage at all.

The Subcommittee will hear testimony from experts with the CATO Institute, American Enterprise Institute, the Heritage Foundation and the Progressive Policy Institute regarding the viability of enacting a Medicare prescription drug safety net program focused exclusively on meeting the needs of the most vulnerable Medicare beneficiaries. The Subcommittee will hear from Congressional witnesses who have proposed legislation similar to that outlined in the attachment below.

Concluded Chairman Burton, "It is crucial that we take a step back and look at the bigger picture. We should not support **a blank check bill** that will put a new financial burden on the American taxpayers well into the next millennium. Rather, we should seek to help those seniors who are financially unable to help themselves. I believe we owe it to our children and grandchildren to leave behind a legacy of sound financial planning that includes responsible healthcare coverage."

WITNESSES:

Panel One

- **Congressman Calvin Dooley (D-CA)**
- **Delegate Donna Christensen (D-VI)**

Panel Two

- **Joseph Antos, American Enterprise Institute**
- **Thomas Miller, CATO Institute**
- **Jeff Lemeiux, Progressive Policy Institute**
- **Ed Haislmaier, Heritage Foundation**

This hearing is a follow-up to the Subcommittee's hearing of July 17, 2003, which examined the short and long-term financial costs of adding a prescription drug component to the Medicare program. For more information, or to look at previous hearing resource materials, please visit Chairman Burton's designated healthcare section on his website at www.house.gov/burton/healthcare.