

Congressman John B. Larson Redoubles Efforts for Medicare Prescription-Drug Reform

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WASHINGTON, D.C. - Continuing his campaign to provide the elderly and disabled meaningful relief from excessively high prescription medicine costs, Congressman John Larson this month stepped up pressure on the Republican House majority to consider legislation requiring Medicare to negotiate lower drug prices.

Seeking to overcome Republican resistance, Larson recently signed a discharge petition seeking to force the House to vote on H.R. 376, authorizing Medicare to negotiate with American drug companies for reduced prices on life-saving medication. Larson has also reintroduced a bill he raised in the 108th Congress for the federal government to use its extensive bargaining power to contract lower prices for Medicare's 44 million participants. The bill, H.R. 2685, would allow the Secretary of Health and Human Services to negotiate lower prices for Medicare beneficiaries by joining with the Secretary of Veterans Affairs and the Secretary of Defense who currently have this authority. The bill has been referred to the House Ways and Means Committee and the House Energy and Commerce Committee. Larson is a member of the House Ways and Means Committee.

"It is unconscionable that the 44 million elderly and disabled Americans who qualify for Medicare are paying far more for the same drugs sold cheaper in other countries," Larson said. "Fairness and compassion are obviously at the bottom of the Republicans' scale of priorities. Having Medicare negotiate equitable prices is the right and simple solution. The Veteran's Administration is able to do this and provide deep discounts. Instead, the Republicans so-called drug benefit is forcing seniors to wade through a jumble of plans as complicated as the tax code to obtain, at best, marginal savings."

Currently, Medicare is explicitly barred by law from negotiating for lower drug prices. States, Fortune 500 companies, large pharmacy chains and the Veteran's administration all use their bargaining clout to obtain lower drug prices for the patients they represent. Medicare should have the same ability.

In particular, Larson points to the example of the Department of Veterans Affairs, which leverages the power of its purchasing population (6.9 million) to negotiate with prescription drug manufacturers to obtain substantially lower prices for seniors enrolled in its healthcare system. The VA also makes heavy use of generic drugs and mail order purchasing. An investigation by the inspector general of the Department of Health and Human Services in 2001 found that the VA paid, on average, 52% less for a list of 24 drugs than did Medicare.

Republican leaders have blocked H.R. 376 by refusing to send it to the floor for a vote. Larson is one of 173 members who have signed the discharge position seeking to force the House Rules Committee to release the measure for an up or down vote. For the petition to succeed in forcing a vote, a majority of the House, 218 members, must sign it.

"Refusing an up or down vote on reducing drug prices reveals the Republicans' allegiance to narrow, deep-pocketed interests," Larson said. "They show no shame in shielding the extravagant profits of the drug companies at the expense of the many elderly and disabled whose meager incomes do not stretch far enough to cover both food and medicine."

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