

SENATE JOINT RESOLUTION 8

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By: **Senators Klausmeier, Astle, Brochin, Dyson, and Middleton**

Introduced and read first time: February 22, 2007

Assigned to: Rules

SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **Federal Legislation Regarding Medicare Part D**

3 FOR the purpose of urging the Maryland Congressional Delegation and the President
4 of the United States to enact legislation to simplify premiums, deductibles,
5 copayments, and formularies in plans made available to Medicare beneficiaries,
6 to eliminate the coverage gap in the Medicare Part D prescription drug benefit,
7 and to repeal the parts of the Medicare Prescription Drug, Improvement, and
8 Modernization Act of 2003 that prevent the Secretary of Health and Human
9 Services from negotiating lower drug prices with pharmaceutical companies on
10 behalf of Medicare beneficiaries; and generally relating to federal legislation
11 regarding Medicare Part D.

12 WHEREAS, The United States Congress passed and the President of the United
13 States signed into law the Medicare Prescription Drug, Improvement, and
14 Modernization Act of 2003 (MMA); and

15 WHEREAS, The MMA added a voluntary prescription drug benefit under
16 Medicare Part D, beginning January 1, 2006, which is offered to Medicare
17 beneficiaries; and

18 WHEREAS, There has been widespread confusion among Medicare
19 beneficiaries trying to choose from dozens of Medicare Part D plans with different
20 premiums, deductibles, copayments, and formularies; and

21 WHEREAS, To receive Medicare Part D benefits, a participating beneficiary
22 with an income greater than 150% of the federal poverty level must enroll in a private
23 prescription drug plan and pay a monthly premium, deductible, and copayment



1 toward the cost of covered prescription drugs until the beneficiary's total annual
2 prescription drug costs reach \$2,250; and

3 WHEREAS, At the point at which a beneficiary's total annual drug costs reach
4 \$2,250, the MMA creates a \$2,850 gap in coverage, which is known as the "donut
5 hole"; and

6 WHEREAS, It is not until drug costs reach \$5,100 in a year, the catastrophic
7 threshold, that the participating Medicare beneficiary would again receive
8 prescription drug coverage, this time paying a 5% copayment for covered prescription
9 drugs; and

10 WHEREAS, The \$2,850 "donut hole" means that many Medicare beneficiaries
11 who reach \$2,250 in prescription drug costs will continue to pay monthly premiums,
12 but will not receive coverage for their prescription drugs, unless and until their total
13 annual prescription drug costs reach the \$5,100 catastrophic threshold; and

14 WHEREAS, Many participating beneficiaries who reach the "donut hole" will
15 not reach the catastrophic threshold before the end of the year; and

16 WHEREAS, The MMA should be revised to ensure that Medicare beneficiaries
17 who enroll in prescription drug plans and pay their premiums, deductibles, and
18 copayments continue to receive coverage for their covered prescription drugs, without
19 a "donut hole" that contravenes the laudable goal of the MMA to provide prescription
20 drugs to Medicare beneficiaries; and

21 WHEREAS, Those Medicare beneficiaries who took the initiative and acted
22 responsibly, by purchasing prescription drug coverage as insurance against future,
23 unknown prescription drug needs or to help defray the prescription drug costs of
24 managing their current medical conditions, should not lose sorely needed prescription
25 drug coverage because their annual prescription drug costs placed them in the "donut
26 hole"; and

27 WHEREAS, The MMA prohibits the Secretary of Health and Human Services
28 from negotiating lower drug prices with pharmaceutical companies on behalf of
29 Medicare beneficiaries; and

30 WHEREAS, The Center for Economic and Policy Research estimates that
31 Medicare price negotiation could reduce prescription drug prices by 50%, enough to
32 close the "donut hole", reduce premiums and copayments, and cut overall drug
33 spending; now, therefore, be it
34

1 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the
2 General Assembly respectfully urges the Maryland Congressional Delegation and all
3 members of Congress to pass, and the President of the United States to sign into law,
4 legislation that would revise the Medicare Prescription Drug, Improvement, and
5 Modernization Act of 2003 to simplify premiums, deductibles, copayments, and
6 formularies in plans made available to Medicare beneficiaries; to ensure that Medicare
7 beneficiaries who enroll in prescription drug plans and pay their premiums,
8 deductibles, and copayments continue to receive coverage for their covered
9 prescription drugs without a gap in coverage, or “donut hole”, after annual
10 prescription drug costs reach certain limits; and to repeal the prohibition on
11 negotiating drug prices with pharmaceutical companies on behalf of Medicare
12 beneficiaries; and be it further

13 RESOLVED, That a copy of this Resolution be forwarded by the Department of
14 Legislative Services to President George W. Bush, The White House, Washington,
15 D.C. 20500; and to the Maryland Congressional Delegation: Senators Barbara A.
16 Mikulski, and Benjamin L. Cardin, Senate Office Building, Washington, D.C. 20510;
17 and Representatives Wayne T. Gilchrest, C. A. Dutch Ruppersberger III, John P.
18 Sarbanes, Albert R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E.
19 Cummings, and Christopher Van Hollen, Jr., House Office Building, Washington, D.C.
20 20515; and be it further

21 RESOLVED, That that a copy of this Resolution be forwarded by the
22 Department of Legislative Services to the Honorable Martin O’Malley, Governor of
23 Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of
24 Maryland; and the Honorable Michael E. Busch, Speaker of the House of Delegates.