

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

Re-referred to: Finance, March 2, 2007

Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: March 24, 2007

RESOLUTION NO. _____

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 to encourage more insurers participating in
11 the Medicare Part D prescription drug program to provide options that would
12 include coverage in the gap in prescription drug coverage; and generally
13 relating to federal legislation regarding Medicare Part D.

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

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

EXPLANATION:

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken by amendment.



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

4 WHEREAS, To receive Medicare Part D benefits, a participating beneficiary
5 with an income greater than 150% of the federal poverty level must enroll in a private
6 prescription drug plan and pay a monthly premium, deductible, and copayment
7 toward the cost of covered prescription drugs ~~until the beneficiary's total annual~~
8 ~~prescription drug costs reach \$2,250~~; and

9 WHEREAS, ~~At~~ In most plans available, at the point at which a beneficiary's
10 total annual drug costs reach \$2,250, the MMA creates a \$2,850 gap in coverage,
11 which is known as the "donut hole"; and

12 WHEREAS, ~~It~~ In most plans available, it is not until drug costs reach \$5,100 in
13 a year, the catastrophic threshold, that the participating Medicare beneficiary would
14 again receive prescription drug coverage, this time paying a 5% copayment for covered
15 prescription drugs; and

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

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

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

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

33 WHEREAS, The MMA should be revised to encourage insurers participating in
34 the Medicare Part D prescription drug program to provide coverage options that would
35 include coverage in the "donut hole"; now, therefore, be it

1 ~~WHEREAS, The MMA prohibits the Secretary of Health and Human Services~~
2 ~~from negotiating lower drug prices with pharmaceutical companies on behalf of~~
3 ~~Medicare beneficiaries; and~~

4 ~~WHEREAS, The Center for Economic and Policy Research estimates that~~
5 ~~Medicare price negotiation could reduce prescription drug prices by 50%, enough to~~
6 ~~close the “donut hole”, reduce premiums and copayments, and cut overall drug~~
7 ~~spending; now, therefore, be it~~

8
9 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That the
10 General Assembly respectfully urges the Maryland Congressional Delegation and all
11 members of Congress to pass, and the President of the United States to sign into law,
12 legislation that would revise the Medicare Prescription Drug, Improvement, and
13 Modernization Act of 2003 to simplify premiums, deductibles, copayments, and
14 formularies in plans made available to Medicare beneficiaries; ~~to ensure that Medicare~~
15 ~~beneficiaries who enroll in prescription drug plans and pay their premiums,~~
16 ~~deductibles, and copayments continue to receive coverage for their covered~~
17 ~~prescription drugs without a gap in coverage, or “donut hole”, after annual~~
18 ~~prescription drug costs reach certain limits; and to repeal the prohibition on~~
19 ~~negotiating drug prices with pharmaceutical companies on behalf of Medicare~~
20 ~~beneficiaries, and to encourage more insurers participating in the program to provide~~
21 ~~options that include coverage in the “donut hole”; and be it further~~

22 RESOLVED, That a copy of this Resolution be forwarded by the Department of
23 Legislative Services to President George W. Bush, The White House, Washington,
24 D.C. 20500; and to the Maryland Congressional Delegation: Senators Barbara A.
25 Mikulski, and Benjamin L. Cardin, Senate Office Building, Washington, D.C. 20510;
26 and Representatives Wayne T. Gilchrest, C. A. Dutch Ruppersberger III, John P.
27 Sarbanes, Albert R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E.
28 Cummings, and Christopher Van Hollen, Jr., House Office Building, Washington, D.C.
29 20515; and be it further

30 RESOLVED, That that a copy of this Resolution be forwarded by the
31 Department of Legislative Services to the Honorable Martin O'Malley, Governor of
32 Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of
33 Maryland; and the Honorable Michael E. Busch, Speaker of the House of Delegates.