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HOUSE RESOLUTION

2           WHEREAS, The Medicare prescription drug benefit enacted in  
3           2003 took effect January 1, 2006, in the form of competing  
4           "Medicare Part D" plans sold by private insurance companies;  
5           and

6           WHEREAS, Senior citizens are choosing from a wide array of  
7           private plans in each geographic area, with a confusing variety  
8           of plan designs and formularies; and

9           WHEREAS, The law states that a Medicare plan's formulary  
10          must cover just one brand name drug and one generic drug in  
11          each therapeutic category - a minimal requirement that will  
12          make it difficult for an older person to find all the drugs  
13          he/she takes in a single plan; and

14          WHEREAS, The drug plans will be allowed to switch the drugs  
15          in their formularies on a regular basis, making it likely that  
16          many seniors will sign up for a plan that covers a drug they  
17          take, only to find out a few months later that the drug is no  
18          longer covered by their plan; and

19          WHEREAS, The drug plans will bargain with the drug  
20          companies for lower prices, but instead of being required to  
21          pass the discounts on to seniors, they will be allowed to use  
22          the savings for advertising and overhead costs, or to increase  
23          their profits; and

24          WHEREAS, Private drug plans will be unable to bargain  
25          effectively, because the Medicare market will be divided among  
26          hundreds of plans, diminishing the negotiating power of the  
27          huge Medicare population; and

28          WHEREAS, A drug benefit that's run by the Medicare program  
29          itself, rather than private insurance, could be given the

1 authority to negotiate prices on behalf of all 44 million  
2 beneficiaries - resulting in enormous buying power and the  
3 ability to get the lowest prices possible; and

4 WHEREAS, This was born out by a recent study conducted by  
5 Families USA (September 2005), which found that the lowest drug  
6 prices negotiated by the private sponsors of the 2004/2005  
7 Medicare discount cards far exceeded the low prices routinely  
8 negotiated by the Department of Veterans Affairs on behalf of  
9 the nation's veteran population; and

10 WHEREAS, Seniors would not only benefit by the lower prices  
11 of a Medicare-run drug plan, but many would find a Medicare  
12 choice much less confusing than having to choose the most  
13 appropriate plan from among the dozens being marketed by  
14 private insurers; therefore, be it

15 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE  
16 NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that  
17 we call upon the United States Congress to enact a drug benefit  
18 for senior citizens that is run by the Medicare program itself;  
19 and be it further

20 RESOLVED, That the United States Congress enact  
21 legislation authorizing Medicare to negotiate directly with  
22 the drug companies on behalf of its millions of beneficiaries,  
23 in order to achieve the lowest prices possible; and be it  
24 further

25 RESOLVED, That a copy of this resolution be sent to the  
26 President of the United States, each member of the Illinois  
27 Congressional delegation, the Speaker of the United States  
28 House of Representatives, and the President of the United  
29 States Senate.