



SR0630

LRB094 18610 DRJ 53955 r

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SENATE RESOLUTION

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

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

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

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

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

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

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

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

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

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