

# American Federation of Labor and Congress of Industrial Organizations



215 Sixteenth Street, N.W.  
Washington, D.C. 20036  
(202) 637-5300  
www.aflcio.org

## EXECUTIVE COUNCIL

**JOHN J. SWEENEY**  
PRESIDENT

**RICHARD L. TRUMKA**  
SECRETARY-TREASURER

**LINDA CHAVEZ-THOMPSON**  
EXECUTIVE VICE PRESIDENT

Vincent R. Sombrotto  
Frank Hanley  
Douglas H. Dority  
Michael Gocewin  
William Lucy  
Andrew L. Stern  
Sandra Hedman  
Bobby L. Harnage Sr.  
Michael J. Sullivan  
Harold Schreiberger  
Bruce Raynor  
William Durus  
Ron Getalfinger

Gerald W. McEnroe  
Michael Saxon  
Clayola Brown  
Joe L. Greene  
Leon Lynch  
Edward L. Fine  
H. Thomas Bluffenberger  
Stuart Appelbaum  
James F. Hoffa  
Edwin D. III  
Clyde Hives  
Lea W. Gerard  
James Williams

Merion Behr  
Frank Hurt  
M.A. "Mac" Fleming  
Sonny Hall  
Arturo S. Rodriguez  
Martin J. Madoliani  
Boyd D. Young  
John W. Wilhelm  
Capt. Duane Worth  
Joseph J. Hunt  
Cecil Roberts  
Melissa Gilbert  
John J. Flynn

Gene Upshaw  
Glenn L. Johnson  
Patricia Franc  
Carol Haynes  
Robert A. Scardalloni  
John M. Howers  
Dennis Rivera  
Elizabeth Bunn  
Terence O'Sullivan  
Cheryl Johnson  
Edward C. Sullivan  
Edward J. McElroy Jr.

FOR IMMEDIATE RELEASE

For information: Gerald Shea 202/256-7577

Statement by AFL-CIO President John Sweeney  
On Medicare Prescription Drugs Deal  
November 15, 2003

Today's reported agreements on Medicare legislation would undermine the Medicare program upon which 41 million beneficiaries depend. For years, seniors have been promised the one improvement to Medicare they have said they need: coverage for prescription drugs. What today's deals offer instead is skimpy drug coverage coupled with a reduction in the benefits now guaranteed by Medicare, money for HMOs and pharmaceutical companies and a path to the probable privatization of the entire program.

This proposal is the product of a partisan process that bowed heavily to privatization proponents in Congress. We urge Republican leaders in Congress to reject the "litmus test" demands of the extremists and to open genuinely bipartisan negotiations immediately. The Senate vote in July demonstrated the possibility of compromise and there is still time to enact a balanced Medicare drug benefit.

The risk of benefit cuts is far too high a price to pay for the inadequate, unreliable prescription drug benefit contained in the legislation. In addition, millions of retirees who have prescription drug coverage from their former employers would lose those benefits, even under the new plan, according to the non-partisan Congressional Budget Office, because retirees with employer-sponsored prescription drug coverage are essentially penalized for having the coverage they worked a lifetime to earn.

Medicare would have to compete with private insurers getting billions of tax dollars in subsidies. Those who remain in traditional Medicare with the doctors and hospitals of their choice would pay higher premiums. With private plans attracting younger, healthier beneficiaries, traditional Medicare could well "wither on the vine" and seniors would have no remaining choice but a managed care plan.

Even though the deal prohibits the government from using the buying power of 41 million Medicare beneficiaries to obtain better drug prices from pharmaceutical companies, it sets up new reporting and accounting rules designed to manufacture a funding crisis for Medicare that can be used to force even more radical changes to the program in the future.

In exchange for these devastating changes to the basic Medicare program, seniors will get a prescription drug benefit that will leave one half of seniors paying more out of pocket than they do now and that turns over to private insurers the power to decide what drugs to cover, how much to charge and whether to offer coverage at all.

This is a bad deal for America's seniors. If presented in its present form, Congress should reject it.