



American Public Health Association

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THE AMERICAN PUBLIC HEALTH ASSOCIATION;

Acknowledging that prescription drug coverage for Medicare beneficiaries, many of whom are on fixed incomes, has become a salient policy and political issue because the cost of prescription drugs is becoming an increasingly significant financial burden for many Medicare beneficiaries;1

Observing that since June 2000 several bills addressing Medicare prescription drug coverage have been introduced in Congress;5

Recognizing that prescription drugs are an essential tool in preventing and managing many acute care conditions and chronic diseases;

Realizing that almost one in three (31%) Medicare beneficiaries had no prescription drug coverage in 1998;2

Knowing that U.S. spending for prescription drugs has tripled since 1990 and is estimated to double from the current level of \$112 billion to \$243 billion by 2008;3

Noting that older adults are disproportionately affected by rising drug costs as evidenced by the fact that while they comprise 13% of the population they account for over a third of the nation's total drug expenditures;7

Knowing that those without drug coverage consistently fill fewer drug prescriptions than their insured counterparts and therefore underutilize prescribed medications, thereby endangering their health;3

Recognizing that the continued rapid escalation in prices particularly of newer drugs, the prodigious expenditures by manufacturerers on direct-to-consumer advertising, the resulting tendency of many consumers to prefer higher priced newer medications, and the growth in the average number of prescriptions utilized per person are trends which will continue into the foreseeable future;8

Therefore, APHA urges the President and Congress to enact a Medicare prescription drug coverage benefit which incorporates the following set of principles:4,6,7

Access

Medicare should guarantee access to a prescription drug benefit.

Coverage

The Medicare prescription drug benefit should be available to all Medicare eligible older adults and individuals with disabilities, regardless of income or health status.

Affordability

The benefit should provide protection against premium and out of pocket costs for low income beneficiaries and provide catastrophic protection for all beneficiaries.

Administration

The Medicare prescription drug benefit should be administered by HCFA, now called Centers for Medicare and Medicaid Services, and not relegated to private insurers. It should include efficient management, appropriate cost containment and reflect the purchasing power of the Medicare beneficiary pool.

Quality

The Medicare prescription drug benefit should have defined quality of care standards, including documented effectiveness data, and appropriate monitoring and quality assurance activities.

The Medicare program should work to ensure the prevention of overuse, underuse and misuse of prescription drugs.

References

1. Kaiser Family Foundation, "Medicare and Prescription Drugs," March 2000.
2. Kaiser Family Foundation—"Prescription Drug Trends," September 2000.
3. Kaiser Family Foundation, "Prescription Drug Trends—a chart book," July 2000.
4. Leadership Council of Aging Organizations, Prescription Drug Benefit Principles, February 2000 Congressional Research Office Report For Congress, "Medicare :
5. Selected Prescription Drug Proposals," September 2000 Congressional Research Office Report For Congress, "Medicare: Prescription Drug Coverage for Beneficiaries," April 1999.
6. AARP Public Policy Institute, "Prescription Drug Benefits: Cost Management Issues for Medicare," Peter Fox, August 2000.
7. "Protecting and Strengthening Medicare: Financing and Prescription Drug Issues," APHA Policy Statement 9934(PP).