

Portland Press Herald

Copyright © 2001 Blethen Maine Newspapers Inc.

Saturday, December 29, 2001

PRESCRIPTION DRUGS

EST
1862

Aid for seniors falls prey to lobbying, tax cuts

● Promises to help with drug costs have fallen by the wayside so far, but the fight continues.

By TOM ALLEN

During the 2000 presidential campaign, both major party candidates voiced support for initiatives that would make prescription drugs affordable for seniors. Although there were major differences in their proposals, Gov. George W. Bush and Vice President Al Gore agreed that Medicare should be modernized to include this coverage.

Much has happened in the last year to explain why this pledge has not been fulfilled. Certainly, the events of Sept. 11 focused national attention on security matters. But even before that tragedy, the Bush administration tax cuts made it difficult, if not impossible, to fund an adequate prescription drug benefit plan.

Paying for a Medicare prescription drug benefit was premised on predictions of budget surpluses for years to come. These surpluses vanished with the tax cuts, and the president's budget advisor now predicts overall budget deficits for at least the next three years. While the weaker economy and new spending on anti-terrorism efforts contributed to the decline, the tax package is responsible for 55 percent of the revenue loss in the next 10 years, according to bipartisan budget numbers.

Those of us in Congress who sought to reduce the size of the tax

ABOUT THE AUTHOR

Rep. Tom Allen, a Democrat, represents Maine's 1st District in the U.S. Congress.

cut to reserve money for a Medicare prescription drug benefit were defeated. Because the tax cuts gambled on an expanding economy, there is no money to provide the benefit seniors were promised.

Congress could still act to give seniors immediate relief on their prescription drug costs while we try to find money to pay for a benefit program. My bill, the Prescription Drug Fairness for Seniors Act (H.R. 1400), would harness the buying power of the federal government on behalf of Medicare beneficiaries.

Pharmacies would be able to purchase prescription drugs for these consumers at the average price of the drugs in six other developed nations. H.R. 1400 would reduce prices for brand name drugs by an average of 40 percent with no significant cost to the federal government.

A Medicare prescription drug benefit has not passed for the same reason that H.R. 1400 has not been scheduled for a vote: the political influence of the pharmaceutical industry. Its campaign contributions continue to block efforts to put seniors' interests ahead of the industry's enormous profits.

The evidence of this influence can be seen in the congressional agenda



Staff file photo

Mainers get prescriptions filled in St. Stephens, New Brunswick.

over this past year. While leaders in Washington have shelved prescription drug benefit and discount proposals, they have passed legislation sought by the pharmaceutical industry.

One recently enacted law, for example, the Best Pharmaceuticals for Children Act, extends patent protection for 6 months if a drug company agrees to do clinical trials for children's doses. By keeping cheaper generic equivalents off the market for just half a year, some drug companies will reap hundreds of millions in profits in exchange for conducting tests that would cost only \$2 million to \$4 million.

The pharmaceutical industry also got its way in H.R. 3005, the Thomas Trade Promotion Authority bill (so-called "fast track" authority), which I opposed. This bill, recently passed by the House and approved by the Senate Finance Committee, contains a well-disguised provision that could undermine a source of inexpensive

prescription drugs.

The provision seeks to use trade policy to force trade partners like Canada to abandon effective cost containment tools that make drugs less expensive in their countries. If this change in trade policy caused drug prices to rise in Canada to U.S. levels, the many Maine seniors who rely on the Canadian

market (taking bus trips across the border or ordering medicines by mail) would be denied a source of cheaper drugs.

If this provision were applied to the United States, it could threaten our government's practice of negotiating lower prices for medicines used by veterans and Medicaid recipients.

While leaders in Washington may not be talking about my bill or a Medicare prescription drug benefit, seniors in Maine and across America face ever increasing difficulty paying for their medicines. As the economy sinks into a recession while drug prices continue to rise, the drug cost problem has become a national drug cost crisis.

Congress has adjourned for the year, and relief for seniors from the high cost of prescription drugs remains elusive. However, when Congress returns, I will renew my efforts to pass effective prescription drug price legislation.

—Special to the Press Herald