

Assembly Joint Resolution No. 31

RESOLUTION CHAPTER 96

Assembly Joint Resolution No. 31—Relative to Medicare Part D.

[Filed with Secretary of State July 23, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 31, Jones. Medicare Part D.

This measure would urge the Congress and the President of the United States to amend the Medicare Modernization Act of 2003 to require that the federal government negotiate for the lowest available prices for prescription drugs under the Medicare Part D program, eliminate a specified gap in Medicare Part D coverage, and reduce the “lifetime penalty” for late enrollment in the program, that ensures that dual eligibles have continuous comprehensive access to prescription drugs. This measure would also urge the Congress and the President of the United States to ensure that California is fully reimbursed for the costs of remedying problems with the implementation and operation of the Medicare Part D program, to grant California greater regulatory jurisdiction over Medicare Part D plans, and eliminate out-of-pocket costs for persons who are dual eligibles for Medicare and California’s Medi-Cal program, and provide a true safety net, including Medicaid wraparound coverage.

WHEREAS, The federal government created the Medicare Part D prescription drug program as part of the Medicare Modernization Act of 2003; and

WHEREAS, Over 4.3 million California seniors are eligible for the Medicare Part D program, approximately one million of whom are also eligible for California’s Medi-Cal program and are therefore considered dual eligibles; and

WHEREAS, The Medicare Modernization Act of 2003 provides for Part D drug coverage only through enrollment in private plans rather than allowing Medicare beneficiaries the option of obtaining Part D coverage administered by the Medicare program itself; and

WHEREAS, The Medicare Modernization Act of 2003 prohibits the Secretary of Health and Human Services from negotiating lower drug prices on behalf of Medicare beneficiaries; and

WHEREAS, Medicare Part D participants frequently reach the “doughnut hole,” a coverage gap in which they must pay the full cost of their prescription drugs; and

WHEREAS, Medicare Part D participants face “lifetime penalties” if they enroll in the program after their initial enrollment period; and

WHEREAS, Medicare Part D participants face a confusing choice between 55 stand-alone private drug plans with varying premiums, copayments, deductibles, and coverage; and

WHEREAS, The Medicare Part D program does not provide adequate information for participants to make decisions based on plan performance, deficiencies, or consumer complaints; and

WHEREAS, Dual eligibles frequently have many fewer prescription drugs available to them and face dramatically higher copayments under Medicare Part D than they did under Medi-Cal; and

WHEREAS, Dual eligibles frequently face problems accessing prescription drugs due to programmatic delays in assignment to Part D plans and a lack of a meaningful back-up or safety-net coverage when systems fail; and

WHEREAS, California has already spent millions of dollars to remedy problems with the implementation and operation of the Medicare Part D program; and

WHEREAS, California has limited regulatory power over the private drug plans offering coverage to California seniors; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature calls on the Congress and the President of the United States to require that the federal government negotiate for the lowest available prices for prescription drugs under the Medicare Part D program; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to negotiate for the lowest available prices for prescription drugs under the Medicare Part D program; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to eliminate the “doughnut hole” gap in coverage in the Medicare Part D program; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to reduce the “lifetime penalty” for late enrollment in the Medicare Part D program; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to eliminate out-of-pocket costs for dual eligibles and provide for a true safety-net, including Medicaid wraparound coverage, that ensures that dual eligibles have continuous comprehensive access to prescription drugs; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to ensure that California is fully reimbursed for the costs of remedying problems with the implementation and operation of the Medicare Part D program; and be it further

Resolved, That the Legislature calls on the Congress and the President of the United States to give California greater regulatory jurisdiction over Medicare Part D plans; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the

Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

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