



## **NASUA Encouraged by Prescription Drug Agreement in Health Care Reform**

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WASHINGTON, DC – The National Association of State Units on Aging (NASUA) responded today to a proposal to provide additional pharmacy savings for seniors as part of health care reform.

“I’m encouraged by the good faith effort by drug manufacturers to work with the AARP and the White House to find savings for both the government and seniors on prescription drugs,” said Martha Roherty, Executive Director of NASUA.

On Monday, President Obama announced an agreement by drug manufacturers to offer \$80 billion in savings to cover the “donut hole.” The donut hole refers to a gap in Medicare prescription drug coverage. Medicare covers up to \$2700 in yearly prescription costs, then stops and starts back up when costs exceed \$6100. The cost of \$4500 in between is the “gap.” At a Monday press conference, Obama said it was “a crushing burden to older Americans on fixed incomes.”

Under the agreed to proposal, Medicare beneficiaries whose spending falls within this gap would receive a discount on prescription drugs of at least 50% from the negotiated price their plan pays. Obama said the measure aims to make prescription drugs more affordable for seniors and “restore a measure of fairness to Medicare Part D.”

“We have long been concerned about the donut hole in Medicare Part D,” said Martha Roherty, “This is a good first step in the attempt to relieve seniors who are faced with choosing between buying their prescriptions or putting food on the table.

“Ensuring that chronically ill seniors maintain their medication regime is crucial to their ability to remain in the home and community for longer. The proposal put forth on Monday is a step forward in that process.

“We applaud Chairman Baucus, Chairman Kennedy and Senator Dodd for their leadership in health care reform. State aging leaders stand ready to assist them as they further develop their proposals, especially those proposals that provide for long-term services and supports for Americans of all ages.”

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**National Association of State Units on Aging**, founded in 1964, represents the nation’s 56 officially designated state and territorial agencies on aging. The Association’s principal mission is to support visionary state leadership, advance state systems innovation and articulate a national policy on home and community based services for older adults and individuals with disabilities. <http://www.nasua.org>