



Congressman Tim Bishop

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BISHOP LEADS FIGHT TO REDUCE MEDICARE COVERAGE GAP

Introduces Motion to Drop \$174 Billion for Controversial Program

Washington, DC: Congressman Tim Bishop is leading the fight to improve the House-passed prescription drug bill (HR 1) that fails seniors by imposing a huge gap in coverage when their drug costs become the highest. Bishop introduced a motion to instruct conferees to drop the \$174 billion from a controversial new tax-free savings program. He believes that money should be used to close the enormous gap in coverage that will affect nearly half of all seniors.

Under the current prescription drug bill which passed the House of Representatives in June by one vote, beneficiaries would buy their first \$250 worth of drugs without any federal help and then would pay 20 percent of their drug costs from \$251 to \$2,000 a year. At \$2,000, coverage ends and beneficiaries must pay 100 percent of their drug costs that are between \$2,000 and \$4,900 a year. After \$4,900, catastrophic coverage pays the rest.

“The prescription drug bill has an alarming gap in coverage,” Bishop said. “Just when seniors reach the point when their drug costs become unbearable and they need help the most, the prescription drug bill abandons them.”

Bishop, who opposed the prescription drug bill in June, said that his effort to reduce the coverage gap was influenced by Town Hall meetings throughout his district in August and September.

“At Town Hall meetings, seniors told me that this is a bill that does not do nearly enough,” Bishop said. “I introduced this motion to help those seniors by reducing the coverage gap which is now unacceptably large.”

Under the current bill, 48 percent of Medicare beneficiaries would fall into the coverage gap of \$2,000 to \$4,900 each year—meaning that almost 1 out of 2 seniors and disabled Americans would find themselves with no coverage for part of the year. In contrast, the tax-free savings program would do very little to reduce the increasing number of uninsured Americans. Many of the uninsured do not have high enough income levels to benefit from tax-free health savings accounts.

“Tax-free accounts will help those who need help the least at the expense of those who need it the most,” Bishop said. “Closing the coverage gap for seniors rather than another tax giveaway is basic common sense.”

Bishop’s effort is strongly supported by national seniors’ organizations that want to close the coverage gap. For example, the National Committee to Preserve Social Security and Medicare has stated, “We urge lawmakers to close the gaps in drug coverage. For many middle-income seniors, the gaps in coverage make the plan not cost-effective.”

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