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PhRMA Statement on Medicare Prescription Drug Program

Washington, D.C. (June 16, 2011) – Pharmaceutical Research and Manufacturers of America (PhRMA) Deputy Vice President Karl Uhlendorf today released the following statement:

“Since its inception, Medicare Part D has provided seniors and disabled Americans with unprecedented access to medicines at affordable prices. Today, over 29 million enrollees have joined the program and more than 90 percent of Medicare beneficiaries have comprehensive drug coverage. Part D is providing unprecedented access to medicines while yielding substantial savings to beneficiaries and taxpayers, resulting in lower premiums and cost-sharing for Part D enrollees.

“Both seniors and taxpayers are paying less than anticipated for the program. Recently, the Medicare Trustees estimated that Part D spending was 41 percent lower than their initial 10-year estimate. What’s more, Part D enrollees continue to be overwhelmingly satisfied with their prescription drug coverage in the program. According to a recent Medicare Today survey, 84 percent of seniors say they are satisfied with their coverage under Part D.

“PhRMA opposes implementing Medicaid’s failed price controls in Part D. Such policies would fundamentally alter the competitive nature of the program and undermine its success. Already, negotiations between biopharmaceutical research companies and Part D plans are leading to significant rebates on medicines. In fact, the latest Medicare Trustees report found that savings from these negotiations have been higher than expected and that many brand-name prescription medicines carry substantial rebates, often as much as 20-30 percent.

“In addition, price controls in Part D would likely lead to increased premiums on certain beneficiaries in the program, according to the Congressional Budget Office.”

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the country’s leading pharmaceutical research and biotechnology companies, which are devoted to inventing medicines that allow patients to live longer, healthier, and more productive lives. PhRMA companies are leading the way in the search for new cures. PhRMA members alone invested an estimated \$49.4 billion in 2010 in discovering and developing new medicines. Industry-wide research and investment reached a record \$67.4 billion in 2010.

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