Abstract

The rising cost of prescription medications has made it increasingly more difficult for Medicare beneficiaries - who receive no outpatient prescription drug coverage - to afford their medications. The prices of eleven of the fifty best-selling drugs in 2001 rose 10% or more from 2000 to 2001, and prescription drug spending overall has risen 15% or more per year over the past several years. Severely disabled elderly people spend more than half their out-of-pocket expenditures on outpatient prescription drugs. An estimated 38% of Americans (15.2 million) will lack prescription coverage by 2002.

In July 2001, President Bush introduced a plan to curb these costs: The Medicare-Endorsed Prescription Drug Card Assistance Initiative. This plan will rely on companies that manage drug benefits to buy prescription drugs in bulk. The companies would sell cards to Medicare patients who could use them at participating pharmacies to purchase medicine at a reduced rate.

Although discount card programs are at best a stop-gap measure and at worst are a ‘log in the road’ on the path to Medicare reform, without them Medicare recipients will continue to be denied access to treatment. The proposed initiative can provide a modicum of financial relief and should be adopted by Congress and instituted immediately until such time as the other options available to ‘modernize’ Medicare can be more thoroughly developed.