

79% of New Medicare Rx Program Enrollees in California At-Risk of Falling into the Doughnut-Hole*

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September 22 marks day average senior falls in "doughnut hole";

September 21, 2006

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Washington, DC — Congresswoman Doris O. Matsui (CA-05) released a Congressional Report [[click her to view](#)] by the House Ways and Means Committee that shows that 299,396 seniors and disabled workers in California — 79% of newly enrolled Medicare Part D beneficiaries — are at risk of falling into the "doughnut hole," the part of the program that contains a gap in coverage where beneficiaries continue to pay premiums without receiving financial coverage for medicines. Nationwide, 88% are at risk. The report also concluded that only 20,263 new enrollees gained full, uninterrupted coverage through the new law and that those beneficiaries paid a high price — premiums that were 270% higher — to get full coverage. "Seniors already encountered significant problems and misinformation when the Medicare Prescription Drug plan went into effect in January. Nine months later, I am hearing from seniors in Sacramento that they are falling into the coverage gap and that their plans aren't providing any assistance with their costly prescription drugs," stated Congresswoman Matsui. "Congress has not yet adjourned for the year. There is still time to address this gap in coverage, as well as the other myriad problems with Medicare prescription drug benefit." The California Doughnut-Hole Report:

- An alarming 79 percent — 299,396 — of Medicare Prescription Drug plan enrollees* in California are enrolled in prescription drug plans that contain a doughnut-hole, or gap in coverage; • Only 5.3 percent of California's new Medicare Prescription Drug plan enrollees* — 20,263 — are enrolled in plans with full, uninterrupted coverage; • Of the 46 plans available in California, nearly 98 percent — 45 plans — have a gap in coverage; • Californians enrolled in full coverage plans, without a gap in coverage, have to pay approximately \$384.63 more in premiums than those in plans that have a gap; • The average annual premium for a full coverage plan is 610.92.

Congresswoman Matsui has cosponsored legislation to reform the Medicare drug benefit to ensure it is simple, affordable, and reliable for senior citizens and people with disabilities. This includes legislation to change the law to allow the Center for Medicare and Medicaid Services to negotiate lower prescription drug prices and maximize seniors' savings. Unfortunately, as it is written now, the Republican prescription drug law explicitly prohibits CMS from doing so. Additionally, she supports waiving the monthly senior tax — a penalty millions of beneficiaries pay each month for late enrollment, and simplify the program by creating a Medicare-sponsored option. *Percentages are of Medicare beneficiaries that are not eligible for low-income subsidies through Medicare or Medicaid when they enter the gap in coverage. ###