

# Native Talk - Louisiana

**This publication is sponsored by an organization of Native Americans who wish to have their voices heard in government. Members of this organization are from all walks of life and all races, and include fishermen, shipyard workers, teachers, doctors, lawyers and many others. Our common objectives revolve around our concern for the fate of our country and the future of our children.**

The articles in this publication will be the first in a series of articles written to inform our fellow citizens about some of the issues which we face in the upcoming election and to allow them to have an informed opinion before going to the polls.

**REMEMBER**, democracy is a participatory form of government and when we do not participate (become informed and vote) we all lose!

There is little question that one of the most serious issues facing Americans is the cost of medical care. More and more Americans are losing their health insurance and the cost of prescription drugs has become a national disgrace.

Efforts to address these problems have been met with great reluctance by the Bush Administration, as they have huge financial ties to the pharmaceutical industry and they have spared no effort to promote that industry's profits and to limit restrictions on their outrageous pricing of prescription medicines.

The following article concerns the Medicare Bill passed by Congress in late 2003. Every senior citizen of our country should be aware of the costs involved in this matter and the impact the bill will have on our lives.

## **MEDICARE PRESCRIPTION DRUG IMPROVEMENT AND MODERNIZATION ACT OF 2003**

*Michael R. Robichaux, MD*

Following the passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003, I felt that it would be important to explain to my patients and members of my community just what this legislation would provide in the way of benefits to our senior citizens. To be able to discuss this issue in an understandable manner, it is necessary to give a short history of its passage.

Because prescription drug costs have become such an explosive political issue, an issue long championed by the Democratic party, an effort was made to neutralize the Democrat's grasp on this subject and in 2003, a revision of the Medicare Bill was prepared for Congress which contained a provision which would provide prescription drug benefits for the elderly. This bill was championed by President Bush and was touted as the cure for the drug cost problems of our elderly population. The cost of the bill was staggering and there was much concern, even among Republicans, about our ability to afford this costly program.

**There are several controversial provisions to this bill that had been brought out during its debate in Congress. They included:**

1. The actual prescription drug benefit would not take place until 2006, long after the next presidential election and would not be of any assistance to the elderly until that time.
2. An interval Medicare Card benefit would be available, which would help defray a small percentage of the costs of prescription drugs until the full program was implemented in 2006.
3. The new law prohibited the program from negotiating discounts by buying medicines in large quantities, a practice which is designed to reduce drug costs and increase benefits to Medicare recipients.
4. Retirees currently receiving prescription drug benefits from their former employers would likely lose those benefits when this program went into effect.
5. Amendments to legalize the importation of less expensive Canadian drugs were stripped from the bill by the Republican majority.
6. Drug and insurance companies would receive windfall profits from the bill while benefits directed to Medicare beneficiaries would be severely limited.

## Medicare Prescription Card: (Interval Card, DoLittle Card, etc.)

It soon became apparent that any benefits that the interval Medical Card might have provided were swallowed up by the rapid increase in the price of medicines, as the drug manufacturers only had to increase their prices to offset any losses they might incur.

An article in the Times Picayune in July of 2004 stated the following: "Drug makers raised prescription prices by nearly triple the rate of inflation in the first three months of this year - just before Medicare began its pharmacy discount card program - negating much of the savings the government promised to seniors."



Additionally, the bill specifically prohibited providers from negotiating lower prices with the pharmaceutical companies.

The number of individuals utilizing this program has been considerably less than the Bush Administration's estimates and seniors are not buying into this operation.

**With regard to the actual savings offered by the Medicare cards, mail order medicines have been shown to be less expensive than medicines under this program and Canadian drugs are considerably less expensive. Thus, cost conscious Americans can do far better by shopping for their drugs than by using the programs initiated by President Bush.**

## Retirees losing current benefits:

**It was widely speculated both before and after passage of the Medicare bill that retirees with existing prescription drug benefits from their former employers would lose these benefits.**

In spite of assurances by Republicans, from President Bush down to congressmen on the floor debating the Medicare Bill, that there would be no reduction in benefits, most analysts speculated that prescription drug benefits of retirees would quickly disappear. The analysts were correct.

In July of 2004, the Department of Health Services estimated that employers would reduce or eliminate prescription drug benefits for 3.8 million retirees when Medicare begins providing coverage in 2006. "That represents 1/3 of all the retirees with employer-sponsored drug coverage."

In the Medicare Bill, a misleading and devious provision was included that supposedly encouraged companies to keep their former employees' insurance coverage. Using this provision of the new law, many companies have been hiring consultants who are designing insurance plans that are passing much of the costs of their health plans onto their former workers. **These plans include requirements that the retirees begin to pay for much of their health benefits themselves as this would enable the employers to actually make money from the plan at the expense of the retired workers.**

How do we know that this is what these large corporations are planning to do? Many of these companies are already showing these profits on their projected government payments in their 2003 financial statements as was reported in a Wall Street Journal article in January of 2004.



January 8, 2004

### U.S. Drug Subsidy Benefits Employers

By ELLEN E. SCHULTZ and THEO FRANCIS  
Staff Reporters of THE WALL STREET JOURNAL

Some companies with many retired workers are expected to post big earnings gains for 2003 or 2004, thanks to accounting guidelines for subsidies under the federal prescription-drug program.

But companies are entitled to the subsidy regardless of how much of the cost they pick up themselves. As a result, it does nothing to halt the current rush by some employers to shift more costs to retirees.

In fact, benefits consultants are designing employer-sponsored prescription plans to save companies more money by unloading costs on their former workers without losing out on the new subsidy.

## Drug Importation from Canada:

While it is illegal to import drugs from Canada, and while the Bush Administration is adamantly **opposed** to these imports, this is such a charged political issue that President Bush has elected not to enforce the law. What he has done, however, is to threaten and intimidate states that are attempting to import Canadian drugs for their Medicaid programs and has made it as difficult as possible for Americans to enjoy lower prices from Canadian sources.

In an effort to assist their constituents, several states have established web sites through which their constituents can get information on Canadian pharmacies that have been found to be reliable sources of safe medicines.

**The governor of Wisconsin, James Doyle, stated that the Bush administration continued to “obstruct, criticize and undermine every effort to lower the price of prescription drugs, instead of working with states to make the process easier.”**

With regard to the recent Medicare bill, amendments to the bill were proposed that would legalize the importation of prescription drugs from Canada and other industrialized countries as long as manufacturers used counterfeit-resistant technologies and FDA approved the drugs. This provision made it to the secret House-Senate Conference, where the Republican majority deleted it.

2-2-04 TIME  
The main battlefront over the Canadian conduit has been in Congress, where the drug industry has developed a close working relationship with powerful legislators to hold the line against cheap foreign imports. Just before Congress passed the \$400 billion Medicare bill providing prescription drug coverage to seniors in November, friendly lawmakers deleted from the legislation a provision that would have legalized the importation of Canadian drugs with appropriate safeguards.

A provision of the Medicare Law requires that a study be performed on the Canadian drug issue. Predictably, the Bush Administration appointed Dr. Mark McClellan, head of the Food and Drug Administration, to lead the study. Both Republicans and Democrats have pointed out that Dr. McClellan was a terrible appointee to this commission, as he is openly opposed to the importation of Canadian drugs.

4-15-04 FP FDA/Drug Imports  
WASHINGTON  
Wisconsin governor: FDA plays 'hardball' to halt drug imports  
Officials deny seeking credit company help  
had asked MasterCard International Inc. and Visa USA Inc. to exert pressure on the pharmacies. But FDA officials have met with the companies to "talk them way to deal with soaring drug prices in the United States. Drug makers condemned the plan as unsafe. Among three dozen people

## Government & Medicine

### States challenge FDA in fight over drug reimportation

**Vermont sues for the right to reimport medications, and Illinois moves forward with its program. Meanwhile, the FDA stops companies helping citizens get Canadian drugs.**

Tanya Albert  
AMNEWS STAFF

nied Vermont's request earlier this year to establish a reimportation program. The FDA rejected the request because it was worried about drug safety. The lawsuit, the first of its kind, comes at a time when states and some physicians are struggling to find ways to help patients safely buy medications priced lower in other nations. "Vermont will not sit back and



# State Initiatives

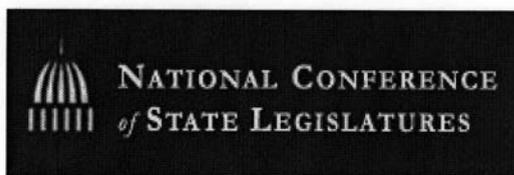
In May of 2000, the State of Maine enacted legislation that would allow the state to provide lower priced medications to those individuals in the state who did not have prescription drug coverage.

This plan utilized the bulk purchasing power of the State's Medicaid program and passed the savings on to all of the residents of the state who lacked prescription drug benefits. Many other states followed Maine's lead with their own programs and many of these states attempted to band together to obtain even further purchasing power by the bulk buying of medicines.

Unfortunately, over the years the Republican led Congress has been opposing the states in their efforts to reduce prescription drug prices. Competition has been eliminated in the area of drug purchases in an effort to protect one of the greatest sources of GOP campaign financing, the drug industry.

Many state governors, both Republican and Democrat, are frustrated and incensed by the Bush Administration's insistence on protecting their financial backers, and they are proposing various schemes to enable their constituents to obtain affordable prescription medicines.

An article in the Times Picayune explained the quandary of the Bush Administration "*which must respond to public demands for wider drug coverage even as the drug industry supplies a large chunk of the Republican party's campaign money.*"



## Health Care Program Prescription drug laws in Maine

A compendium of information, analysis and opinion sources

Updated: April 14, 2004

| **Maine Programs** | **court actions** |

The state of Maine has an extensive history of involvement with prescription drug laws and policy. Recently these laws have attracted national attention. In 1975 Maine was one of the first two states to create a senior pharmaceutical assistance program. In 1999, Maine's SB 732 mandated the first statewide discount price program. In May 2000, the legislature enacted and the Governor signed a multi-part law that included both discounts and the nation's first state prescription drug price control mechanism. A separate pharmaceutical discount law was enacted in May 2001, and an entirely new law passed in June 2003. Several court cases also have sought to alter Maine's prescription drug policies.

## 5-20-03 Times Picayune

The case has shown how hard it can be for the Bush administration, which must respond to public demands for wider drug coverage even as the drug industry supplies a large chunk of the Republican Party's campaign money, to calibrate its response.



**Families need to understand that provisions of this bill will assure that we and our parents will have to struggle to afford prescription medicines and that our parents' estates, and our inheritances, will be reduced or totally eliminated so that George Bush and his wealthy friends can become even more affluent.**

On September 3, in a move that shocked the entire nation (or at least those of us who were awake) the federal government announced that there would be a

**17% increase in Medicare premiums,**

the largest premium increase in the 40-year history of the program.

This announcement was made the day after the president touted his efforts to help the elderly cope with their medical expenses. Is the President correct in his assumption that the senior citizens of this nation will be fooled into believing he is truly interested in their financial and physical health?

**The New York Times**  
nytimes.com

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September 4, 2004

## **Citing Higher Costs, U.S. Plans Rise in Medicare Premium**

By GARDINER HARRIS

WASHINGTON, Sept. 3 - A day after President Bush heralded his efforts to help the elderly cope with increased medical expenses, federal officials announced the largest premium increase in dollars in the Medicare program's history, raising the monthly expense by \$11.60 to \$78.20.

The increase, which amounts to 17 percent.....

# Facts about Prescription Drugs

1. Americans pay more for their prescription drugs than people anywhere else in the world.
2. The Pharmaceutical Industry has been the most profitable industry in the United States for many years.
3. The Food and Drug Administration (FDA) and the pharmaceutical companies have been pressuring Canada to stop exporting medicines to the United States.
  - a. U.S. Drug Companies are threatening to stop selling drugs to Canada if they do not curtail their exports of prescription drugs to the U.S.
  - b. Pfizer, AstraZeneca, Glaxo-SmithKline, Eli Lilly and Wyeth have taken steps to reduce Canadian sales to the U.S.
  - c. The FDA is working with the pharmaceutical companies to accomplish these goals.
4. A provision was inserted into the Medicare Bill to allow the importation of drugs from outside of the United States and was stripped from the bill by Republican legislators.
5. A provision restricting prescription drug benefits provided to legislators at the same level as the Medicare bill was also stripped from the bill by Republican Legislators.
6. Although the FDA claims that their reason for opposing Canadian sales of drugs to the U.S. is the safety of the drugs, no one in Congress has been able to get them (the FDA) to reveal a SINGLE instance where Americans have been harmed by drugs imported from Canada.
7. Most of our pharmaceuticals are manufactured overseas, but U.S. residents cannot import them.
8. The medicines manufactured outside the U.S have minimal FDA oversight.
9. Medicine outlawed in foreign countries (including all of Europe and Canada) that has caused serious illnesses and deaths, been allowed to be sold in the United States!!!
10. In 2003, the drug industry spent a record \$108.6 million on lobbying the federal government.
11. The drug industry hired 824 individual lobbyists in 2003, an all-time high. (This represents over 8 lobbyist for every Senator in Congress)
12. The Pharmaceutical Research & Manufacturers of American (PhRMA), which represents more than 40 brand-name drug companies, spent over \$16 Million and hired 136 lobbyists last year alone.
13. The President of the United States has been going to court to block lawsuits by consumers who claim they have been hurt by prescription drugs.
  - a. The position of President Bush is that if the Food and Drug Administration has approved a drug, then anyone who has become ill or has died from the use of this medication should not be eligible for damages. However, as the preceding article indicates, FDA oversight over medicines has been declining over the years and medicines outlawed in other countries are being sold in the United States. Thus, anyone experiencing liver failure or dying from a particular drug, even though it had been shown to be dangerous and is not allowed in most other countries, would not have legal recourse against the company that was responsible for the injury.
14. The United States is the only country without price controls on drugs.
15. Medicines developed with public funds are being sold for exorbitant prices by pharmaceutical companies
  - a. Abbot Laboratories utilized public funds to develop a medication, Norvir, which is used in the treatment of AIDS. In April of 2004, Abbott increased the cost of this medicine by a factor of four, causing outrage by consumer advocates. This same medicine is available in European and other countries but now costs up to TEN TIMES AS MUCH WHEN IT IS PURCHASED IN THE UNITED STATES!!!!
  - b. Thus, public tax money was used to develop a lifesaving medication.
  - c. The same Americans whose taxes paid for these medicines are charged up to ten times as much as Europeans who had nothing to do with research or development of the drug!

**We Could Say More, But it is Obvious, It's Time For A Change**

# *Bush Assault on the Workers of America*

One of the most damaging projects undertaken by the Bush Administration has been their relentless assault on the rights and financial security of the workers of America. It is obvious that their primary objective is to enhance the profitability of large corporations at the expense of wage earners and they have been relentless in their pursuit of these objectives.

Some rather startling facts and statistics will help to make this point.

- Louisiana has lost approximately 22,000 manufacturing jobs under George W. Bush.
- Average family income has dropped by nearly \$1500.
- New jobs in Louisiana pay an average of \$13,000 LESS than jobs that have been lost in Louisiana.
- 31,000 of our fellow citizens have lost their health insurance.
- College tuition has increased by \$655 at our four-year universities.
- Fuel costs have increased dramatically, helping to destroy our fishing industry, small businesses, and affecting the lives and life style of all Americans.
- Corporations are being given tax breaks to send American jobs overseas!
- Overtime pay, an increasingly important source of income to American families which has been necessary to keep up with the increasing cost of fuel and prescription drugs, has been manipulated and in many cases will be eliminated.
- Our environment is under assault and new environmental regulations are being written by the industries who they are supposed to regulate.
- Global warming is increasing at an alarming rate, resulting in sea level rise, a rise that will be catastrophic to the State of Louisiana.
- Upon taking office, the Kyoto Treaty on global warming was rejected by the Bush Administration. Some scientists feel that the recent flurry of hurricanes is the result of the global warming phenomena.

## **The Economy:**

George W. Bush would like you to think that the economy is in good shape. Once again, he is lying. Having inherited the largest governmental surplus in most of our lives, he immediately converted the surplus into the largest deficit in the history of our country. He is running the country on borrowed money, waging a staged war against a country which posed no threat to the United States, and giving tax breaks to his wealthy benefactors. His economic plan was once called “Voodoo Economics” by his father in his father’s first Presidential bid. More than a thousand of our children have been killed and thousands more have been crippled so that he could enhance the profitability of the oil and gas industry. Just look at the profits of Exxon, Texaco, Halliburton, etc. to see what is happening. The list goes on and on!

For every absurd position that the Bush Administration has advocated or initiated, there have been a set of lies, distortions of fact and fabrications that have been put forth to defend the positions. There is no shortage of creative propaganda coming from this administration. The President himself has become a serial liar in misrepresenting issues of the economy, the environment, the reasons for going to war in Iraq, weapons of mass destruction, the loss of jobs... The list is endless.

**Remember, Democracy is a participatory form of government. We have the rights and a DUTY to express our opinions and we can do this most effectively by VOTING!!**

*“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”*

Franklin Delano Roosevelt, Second inaugural Address - January 20, 1938