For Immediate Release                                               Contact:  Rebecca Wilder (202) 224-0379
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**PRESCRIPTION DRUGS ARE ONLY ONE REASON**
**WHY MEDICARE NEEDS REFORM**

*Improved Efficiency, More Choice Necessary to Protect Medicare for Future Generations*

**Washington, DC**— According to a report released today by the Joint Economic Committee, Medicare faces enormous fiscal challenges as the “Baby Boom” generation retires and as the program expands to cover prescription drugs. Congress is now focused on the need to extend prescription drug coverage to Medicare beneficiaries. That need is certainly important, but it is not the only reason that Medicare needs reform.

“Medicare is an incredibly inflexible program that is unable to adapt to rapid advances in modern health care,” said Chairman Bennett. “As we debate how to provide a prescription drug benefit to the program, we must keep an eye on the end goal -- to make Medicare more efficient, more flexible, and more responsive to the needs of all Americans.”

The Joint Economic Committee report highlights three key areas that must be addressed to ensure that Medicare will be able to serve an aging population and future generations: improving the long-term financial viability of the program, making Medicare more responsive to health care advances, and introducing choice and competition.

Medicare lags far behind other insurers in providing prescription drug coverage, disease management programs, and a host of other advances. Reforming Medicare to create a more self-adjusting, innovative structure could improve both the efficiency and quality of the medical care provided. That can be accomplished partly by allowing beneficiaries greater choice and introduce greater competition between plans. Giving Medicare beneficiaries greater choice has at least two key advantages: It allows the beneficiaries to be the primary customer, rather than the government or a former employer. It also creates powerful incentives for all Medicare plans, public or private, to provide the highest quality health care and the most competitive price.

The report is available at jec.senate.gov, or call Rebecca Wilder at (202) 224-0379.

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