



## NEWS RELEASE

### FOR IMMEDIATE RELEASE

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### **NRLN Calls Medicare Prescription Drug Bill 'Bad Medicine' for American Retirees** *NRLN President Asks, 'With Friends Like AARP, Who Needs Enemies?'*

(WASHINGTON, Dec. 2, 2003) – The National Retirees Legislative Network (NRLN) strongly criticized recent passage of the Medicare Prescription Drug bill and the support it was given by the AARP (American Association of Retired People). The NRLN is a Washington-based grassroots coalition of retiree and older worker organizations dedicated to protecting the pension and health benefits of their members.

Citing an estimate by officials of the Congressional Budget Office, NRLN President Jim Norby points out that more than a third of seniors with employer coverage stand to lose it with passage of the prescription drug benefit legislation. “As we pointed out when we opposed this legislation last summer, employers will react to this legislation by scaling back their drug coverage for retirees,” Norby said.

“In spite of provisions in the legislation aimed at preventing companies from dropping their retirees’ coverage, the temptation to shed their retiree prescription drug insurance plans and unload their retirees on the new but deficient Medicare drug program makes this outcome inevitable. In our opinion, these enticements are nothing more than a bribe for big business that represents a multi-billion dollar taxpayer liability,” Norby said.

According to Norby, thousands of NRLN’s 2 million members are ending their AARP memberships as a result of that organization’s support of the prescription drug legislation. “Our NRLN board members are being overwhelmed by e-mails from people who are madder than hell at the AARP. Our members who opposed the bill are cutting up their AARP cards by the thousands to protest the use of their membership fees to pay for a \$7 million campaign endorsing the prescription drug benefit legislation. With friends like AARP looking after retirees, who needs enemies,” Norby said.

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“AARP’s description of the Medicare drug prescription legislation as ‘not a perfect bill,’ has to be the understatement of the year,” Norby said. Among NRLN’s objections to the new Medicare prescription drug benefit legislation are:

- It prohibits the government from bargaining over price with the drug companies and other suppliers.
- It places insurmountable obstacles in the path of re-importing cheaper prescription drugs from Canada.
- It leaves a huge coverage gap for the middle class, which will be outraged as details of the new legislation become available.
- It has the potential to limit options of retirees now receiving drug coverage through former employers or Medicaid.
- It provides only \$1 of every \$16 spent toward purchasing drugs seniors otherwise would not have had, with the balance going to displace spending by the private sector and state Medicaid programs.
- It’s cost over the next decade, which could reach \$1.5 trillion by some estimates, will only add to the funding burden facing Medicare for which Congress has made no provision.

“In endorsing this bill, AARP has broken faith with its members and older Americans in favor of special interests that market insurance and pharmacy services to its members. According to AARP’s annual report, royalties from these arrangements accounted for more than a third of the association’s \$636 million in revenues last year, which we believe is a conflict of interest,” Norby said.

“We’re seeing an incredible deterioration in the way older Americans and retirees are being treated today. You can’t pick up the newspaper that you don’t find an account of someone pilfering dollars from their pension trust fund, or else lying about their corporate earnings. At NRLN, we’re addressing these issues head on and we welcome support from AARP members and others who share our views and commitment to retirees across the country,” Norby added. To learn more about NRLN and its objectives, visit the association’s Web site at [www.nrln.org](http://www.nrln.org).

Based in Washington, D.C., NRLN represents nearly 2 million retirees from Association of US WEST Retirees, Association of BellTel Retirees, Association of Prudential Retirees, Monsanto Retirees Association, along with groups from Boeing, GE, GM, IBM, Johns Manville, Lucent, AT&T, Portland Electric (Enron), SNET, Western Union, Raytheon, Continental Tire and others.

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