

National and State Legislation

Keep prescription drugs affordable

By Bruce Thiesen
Past National Commander

While at the National Convention in Hawaii I had the opportunity to go to a briefing on the Prescription Drugs and the VA pricing. The VA gets a special price break because of the amount that they bid for from year to year and the price break is passed on to the veteran through the VA Pharmacy. Should everyone receive the same price break that the VA does then the drug companies have no alternatives but to raise the WHOLESALE price across the board even to the VA, which would mean NO savings to the Veteran. So as you look at the following article REMEMBER that Proposition 78 will save the VA drug program and Proposition 79 would DESTROY the VA's ability to continue to bid on behalf of the Veteran as it does now. So come November 8, VOTE NO on Proposition 79 and give the Veterans the break they continue to deserve.

Implications of pharmaceutical ballot propositions for veterans

By Michael D. Miller, MD
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Two Propositions on California's November 8th ballot claim that they will make medicines more affordable for lower income uninsured Californians. An analysis of these two proposals reveals important differences in their viability, what they would mean for uninsured Californians, their impact on Medi-Cal (California's Medicaid program), and their implications for other government healthcare programs including the VA.

Proposition 78 ("8 is Great")

- Proposition 78 is backed by the medical community and patient advocacy groups, and received bipartisan support in the California legislature. It is a practical solution that could be quickly implemented because it would be similar to a program started this year in Ohio where the logistical issues have already been resolved.

- Proposition 78 could help almost five million uninsured California families with incomes up to three times the Federal Poverty Level: \$28,710 for an individual or \$58,050 for a family of four.

- Proposition 78 would provide significant price discounts – estimated by California's Health & Human Services Agency at about 40% off retail prices – without impacting Medi-Cal or other government programs like the VA or the Federal Supply Schedule.

Proposition 79 ("No on 9")

- Proposition 79 is similar to a program attempted in Maine that was tied up in legal challenges for several years because it proposed using companies' participation in Medicaid to force participation in a program for non-Medicaid individuals.

Maine only implemented their program after changing it to be much like Proposition 78, i.e. no hard link with Medicaid and voluntary participation.

- Proposition 79 has three categories for eligibility: California families with incomes up to four times the Federal Poverty Level (\$39,280 for an individual or \$77,400 for a family of four); Individuals with un-reim-

bursed medical expenses equal to 5% or more of family income; and Employers, unions, or "other entities – of any size – that pay more than 50% of the cost of health coverage for employees – with no income limit. The effect of this three part eligibility system – with up to two-thirds of California's population being eligible to participate in this proposed program – would be to create an extensive price control system for most California pharmaceutical purchases.

- Proposition 79 also contains a provision enabling lawsuits for every individual pharmaceutical purchased under the program. This which would serve to divert more money from medical care to legal actions. Further, Proposition 79 could potentially harm California's poorest, most vulnerable citizens – including the disabled and those in nursing homes – because it could result in the removal of specific medicines from the Medi-Cal program.

Specific Implications for Veterans

Proposition 79 Would Undermine VA and FSS Price Discounts:

- Proposition 79, if implemented, could adversely affect all Veterans by increasing the prices the VA pays for prescription medicines. This would occur because the prices the VA pays for pharmaceuticals are tied to Medicaid prices through the Veterans Health Care Act of 1992 (Public Law 102-585). Proposition 79's expansion of Medicaid's price controlled system to an estimated 5-7.5 million more Californians – and potentially up to 20 million – could almost double the number of people getting pharmaceuticals at Medicaid discounted prices, and cause the VA to lose some of the discounts it now obtains. This connection between the VA's loss of discounts with the extension of Medicaid prices to other populations has repeatedly been validated by the Government Accounting Office and others.³ These increased prices would certainly strain the VA's already very tight budget and limit its ability to meet the healthcare needs of Veterans.

Proposition 78 would quickly help some lower income veterans without raising VA prices.

Website offers survivor assistance

The Department of Veterans Affairs has launched a new website to assist surviving spouses of military members who died either on active duty or after serving their country. The site is available at <http://www.vba.va.gov/survivors> and has links for both survivors of military members who died during active duty and those who died later and also includes helpful links to other governments sites that may be of assistance. You can also find a link to a "Frequently Asked Questions" section that gives answers to many common

questions.

The Department of Defense also recently announced that many military retirees who opted out of some or all their Survivor Benefit Plan (SBP) coverage will have another opportunity to elect coverage during a one-year open enrollment period that will run from Oct. 1, 2005 through Sept. 30, 2006.

If you would like more information about this opportunity or if you would like to check your eligibility, you should contact the office managing the SBP for your Service.

Guard, reserves offered job protection

WASHINGTON—On August 3, 2005, U.S. Labor Secretary Elaine L. Chao announced a new service to help ensure National Guard and reserve service members return to the jobs and benefits they are entitled to under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

The latest improvement by the Department of Labor is a Web site where a USERRA or veterans' preference complaint can be filed electronically at <https://vets1010.dol.gov/Login.aspx?ReturnUrl=%2fDefault.aspx>.

America's soldiers, who sacrifice so much

for all of us, deserve every consideration and legal protection in returning to civilian life and careers, Chao said.

This new online form will make it easier for National Guard and Reserve service members to alert us to any job-related problems they may encounter because of their service to our country.

Developed by the Labor Department's Veterans' Employment and Training Service (VETS), the form is called the VETS Form 1010. It is easy to fill out and can be filed in seconds electronically.



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