

## **Editorials and Op-Eds Against GOP Rx Drug Bill (as of 11/20/03)**

### **Detroit Free Press**

#### **Medicare Deal**

##### **High costs, low benefits, little clear thinking**

November 20, 2003

The Medicare bill Republicans want to ram through Congress this week is bad process and bad policy.

GOP lawmakers went behind closed doors with only two well-chosen Democrats to craft the deal announced Saturday night. Now Congress is supposed to hurry up and vote on some 1,100 pages of legislation that by late Wednesday had not even been printed nor analyzed by the Congressional Budget Office.

Looks as if somebody's worried this plan will sink under scrutiny. It has plenty to weigh it down.

The formula for determining benefits is so complicated that seniors will have trouble figuring out whether it works for them. The legislation is also a lot more expensive than it sounds. Between deductibles, co-insurance and monthly fees, seniors would foot the bill for about half of the \$2,200 in basic coverage. Then there's a huge gap where seniors shell out for everything until catastrophic care benefits kick in.

Even at \$400 billion, no prescription drug plan could cover all the costs for 39 million low-income seniors and disabled folks. But the benefits could be greater if the bill didn't divert money to other efforts, such as the \$12 billion to entice HMOs and other insurers to administer coverage -- for more than it costs traditional Medicare. If these businesses are smart, they'll skim the healthiest, wealthiest patients, leaving behind the sickest with bigger bills.

The plan also dilutes or guts efforts to lower drug prices. Generic provisions are weaker, and reimportation from Canada is effectively banned. Medicare would even be prohibited from using its large buying pool to negotiate lower prescription prices.

The powerful senior citizen voting bloc wants coverage -- and should have it. But it should mean more than big costs for them and restructuring that imperils Medicare. This bill is worse than nothing.

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### **Los Angeles Times** **EDITORIAL**

## **Patient Shouldn't Be Saved**

November 20, 2003

Republican leaders in Congress, made bold by feverish lobbying from the Bush administration and a \$7-million ad campaign launched this week by the seniors organization AARP, are on a final push to add a \$400-billion drug benefit to Medicare. Such a benefit was a campaign promise by President Bush, and few members of Congress want to say no in an election year. But the Medicare bill is such a complicated mess, full of concessions to one interest group after another, that it actually stands a chance of being defeated. It should be, especially in this year of record deficits.

It is full of tortuous detail that is poorly understood by legislators, much less the public. It is opposed by some fiscal conservatives for its absence of cost controls and by liberals because it aims to push more of the elderly into private insurance programs.

The final text of the bill has not been released, meaning GOP leaders are worried and still tinkering. It's true that there are simple changes that would improve it. For instance, there is broad bipartisan support for bolstering a ridiculously weak provision asking the Food and Drug Administration to consider legalizing prescription drug purchases from Canada. The measure should require, not ask. If the government won't help control costs, it has no business stopping the free market from doing so.

The proposal not only fails to include cost controls; it prohibits them by barring government from negotiating better drug prices, a cost-saving tactic employed by many countries, including Canada.

A more fundamental problem is that, beyond the drug benefit, the bill would force traditional Medicare to compete with private managed-care organizations. A previous experiment with privatization left thousands of people stranded when their HMOs suddenly left the market. There's also the likelihood of "cherry-picking," industry parlance for signing up the healthy and discouraging the most needy and expensive with carefully manipulated advertising.

There is, frankly, zero chance that legislators will correct the proposal's biggest flaws. The freedom the proposal gives to private insurers is the foundation for the pharmaceutical industry's support of it. Though the drug industry fought government attempts to add a prescription drug benefit to Medicare in the 1990s, its lobbyists told legislators in 1999 that they would reverse course if Congress agreed to funnel the benefit through private plans.

Individual seniors don't do nearly as well as insurers. After a monthly fee and a co-pay on each prescription, plus a limit over which they get no help until reaching another level, the benefit for many people is meager.

A spokesman for the measure's staunchest opponent, Sen. Edward M. Kennedy (D-Mass.), called the proposal "a turkey of a bill." The contrast between its handsome rewards to the drug industry and its skimpy benefits to consumers recalls another holiday symbol: Mr. Scrooge. No amount of tinkering will fix this bill. Congress shouldn't be obligating the Treasury for \$400 billion. For that amount, lawmakers should have done much better.

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## **BOSTON GLOBE EDITORIAL**

### **A poison pill for Medicare 11/20/2003**

OLDER AMERICANS deserve a Medicare drug benefit, but not at the expense of the integrity of the program. Congress should reject the work of the Republican-dominated conference committee and wait for a better time to pass legislation that focuses on reducing the high costs of prescription drugs.

It was bad enough that the version passed by the Senate this summer mandated that the drug benefit be administered by private prescription management companies. These firms do obtain discounts from drug manufacturers, but they lack the buying power of the federal government to get the lowest prices. The bill reported out of conference affirms the primacy of prescription managers.

This would have been a barely acceptable trade-off to obtain an urgently needed drug benefit. But the conferees went too far when they adopted the House approach, which would use the drug benefit to prod older Americans into private health plans for all their benefits. Privatization would start out small -- in six metropolitan areas in 2010. But the House bill would increase the rate of reimbursement to health plans and contains \$12 billion in start-up incentives to entice private plans to offer coverage in the six areas.

If the plans were able to undercut Medicare on costs, the premiums for people in the traditional program would rise. Higher premiums could encourage the healthiest elderly to desert regular Medicare for the health plans, leaving the sickest people behind to pay ever higher amounts for medical care.

Many House Republicans wanted a more sweeping privatization program. Tommy G. Thompson, President Bush's secretary of health and human services, reassured them at a press conference Tuesday that "the ingredients for making changes in the future are there." This experiment needs to be stopped before the Republicans in Congress damage a program that has served the elderly well for 38 years.

The AARP, the largest US organization for the elderly, supports the bill on the grounds that "it's the best deal we can get," according to the organization's policy director, John Rother. The drug benefit would save money for many AARP members, and the bill

contains a provision for improved preventive services. But it is also the first volley in a long-run campaign to change Medicare to a managed care system.

With the baby boom generation beginning to retire, the nation needs a thorough debate about the quality of Medicare coverage. This bill would tilt that discussion in favor of a program that would benefit private pharmacy managers and private health plans at the expense of the nationwide choice that has been a pillar of Medicare since its inception.

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## **Chicago Tribune Editorial**

### **A broken promise on Medicare**

19 November 2003  
Chicago Tribune

Last January, President Bush served notice that Congress had a singular opportunity to radically reshape Medicare before it capsized into a huge fiscal crisis. The task at hand was whether, and how, to add a prescription drug benefit to Medicare, which would be the largest expansion of the federal health insurance program since its inception in 1965.

Simply adding a \$400 billion benefit, he and other Republican leaders argued, would be irresponsible. Instead, the Republican prescription for Medicare included a healthy injection of private competition to tame runaway federal spending increases and avert projected insolvency.

But almost as soon as the words were out of their mouths, Republican leaders began backpedaling, fearing the political consequences of grandstanding Democrats and angry seniors.

Now, almost a year later, what's left of that grand ambition is a compromise bill, unveiled last weekend, that does far too little to overhaul Medicare and far too much to hasten the system's descent into a fiscal nightmare. Sometimes the cure is worse than the disease. For many seniors--and taxpayers who will one day be seniors--this bill is proof of that adage.

Instead of full-fledged head-to-head competition starting in 2010, as the House version of the bill envisioned, what remains is a six-year "demonstration program"--in other words, a test--for up to six metropolitan areas, beginning in 2010. That, ironically, also is just about when the first Baby Boomers begin to retire. So, by the rosiest of scenarios, any sort of real national private competition wouldn't start until 2016, at the earliest, if then. By that time, the funding crisis likely will be upon us, hastened by this legislation. The drug benefit alone is estimated to cost up to \$2 trillion in its second decade.

The bill is studded with expensive new subsidies for many employers, a desperate attempt to convince them not to drop the drug benefits they already provide to their

retirees. But that is unlikely to persuade many employers, who can, after all, reap greater returns simply by pushing their retired employees into the Medicare prescription plan.

This page has argued that the better way to provide a drug benefit is to target those who need it most: low-income seniors and those saddled with catastrophic drug costs.

This bill does, wisely, provide some relief along those lines, and it also will offer a drug discount card, starting next spring, that will save seniors an estimated 15 percent to 25 percent per prescription. There's also the welcome beginning of "means testing" for one part of Medicare that will force more affluent seniors to pay higher premiums. But the bill stops making sense when it tries to provide a benefit for millions of middle-class Americans, many of whom already have some drug coverage.

The bill faces significant opposition in the U.S. House and Senate. If it passes--and a vote could come by week's end--members from both parties will hit the campaign trail and boast about keeping their promise to the American people. That will be bunk. Until there's a real reform of Medicare, until lawmakers confront head on the crumbling pillars of this system, that will be a promise not kept. The Medicare bill should be defeated.

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## **The Philadelphia Inquirer Editorial**

### **The New Medicare Bill** Mucking up a good deed November 19, 2003

The great national conversation on reforming Medicare just finished up.

What, you missed it?

No doubt, it's because you weren't among the chosen few - that is, the 10 Republican and two Democratic members of Congress who huddled for the closed-door sessions.

All you can do now, with the rest of America, is size up the dispiriting result: a take-it-or-leave-it Medicare reform package that links a new drug benefit to the most sweeping changes ever to the federal health insurance program.

No doubt, establishing an outpatient prescription drug benefit under Medicare is an achievement. That's what has won the backing of the nation's most influential seniors' group, the AARP.

Spend five minutes on the other details, though, and it becomes clear the overall package should not be approved as-is. Too many aspects of this Medicare remake are troubling.

At a minimum, lawmakers should return to their original pledge to voters in 2000 - to create a stand-alone drug benefit under traditional Medicare.

Under the current proposal, there's a danger that the drug benefit will entice lawmakers and citizens down a risky path that could transform Medicare for the worse within a decade.

From a medical standpoint, the watershed prescription coverage agreement is long overdue. Drug therapies take the place of many procedures and hospital stays, yet Medicare pays only for the traditional, more costly treatments.

If the bill were to work as billed, retirees would see a new drug discount within months. Starting in 2006, they'd receive a modest prescription drug benefit.

The Medicare retooling that emerged this weekend from behind closed doors is much more than that, however.

It involves experiments in privatization long sought by conservatives who were never fond of Medicare in the first place. If the experiments fail, cutbacks in Medicare coverage are inevitable, along with higher premiums for retirees and hikes in the Medicare payroll tax. In short, Medicare could be a mess just as the baby boomers' retirement tsunami hits shore.

This bill wants traditional Medicare to compete head-to-head with private health plans as a means of controlling costs. This is an unnecessary, Darwinian experiment. It's certain to stick seniors in traditional fee-for-service Medicare with higher premiums, and that's unfair.

Nor would the so-called competition occur on a level playing field, since the bill would lavish billions of dollars upon private health plans to bolster their appeal.

This plan goes a risky step beyond the reasonable idea of encouraging senior citizens for whom it makes sense to join managed care plans. Here's the key tip-off to the illogic of the competition idea as a cost control: Many managed-care plans already have jettisoned seniors because even the fees Medicare now pays aren't enough to cover their care. Instead of encouraging a race-to-the-bottom among insurers, Medicare should beef up its managed-care fees.

Another measure is worrisome: capping the general federal budget's share of Medicare spending at 45 percent of the program. All too soon, this provision likely would force Congress to slash benefits, raise rates, and hike the payroll tax, which hits working-class people hardest.

The best of what's proposed in this package could be salvaged. That includes new financial assistance for low-income seniors, physicians and hospitals.

Yes, reform would cost money. But the money would be there were it not for the reckless Bush tax cuts. The federal fiscal collapse under Bush has hampered Washington's ability

to do right by both Medicare and Social Security. (How about restoring the estate tax and pledging all revenue from it to these key programs that benefit all retirees, not just the super-rich heirs to whom the estate tax applies?)

Seniors would wait a little longer for a drug benefit if it meant ensuring that Medicare reform lives up to the physician's credo: "First, do no harm."

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## **The Capital Times (Madison) Editorial**

### It on Medicare

November 19, 2003

The Republican leadership in the U.S. House and Senate, working in conjunction with a handful of health care industry-tied Democrats, have crafted what much of the media is referring to as a "compromise" plan for reforming Medicare. That's a misnomer.

The proposed changes are not a reform in any positive sense of the word. They are not an improvement on the program that currently exists. Rather, they represent little more than a marketing plan for business interests that want to begin the privatization of health programs for the elderly. If this legislation is passed, it will begin a process of dismantling Medicare as it currently exists, and with that dismantling will come a further narrowing of access to health care for low-income seniors and higher costs for middle- and upper-income seniors.

Here are just a few of the pathologies contained in the legislation that is now being rushed through Congress:

While the legislation does create a limited prescription drug benefit, it does so in the most costly and ineffectual manner possible. The plan places a cap on Medicare benefits for seniors, and Medicaid benefits for people with disabilities, yet it does nothing to control drug prices. Thus, for close to 40 million Americans, access to drugs will remain dependent on their ability to pay, rather than their need for care.

Written with the purpose of enriching pharmaceutical companies, which are major contributors in presidential and congressional elections, the legislation specifically restricts initiatives designed to get the best care at the lowest cost. For instance, it prevents the importing of high-quality prescription drugs from Canada, where that country's national health care system holds costs down to dramatically lower levels than in the United States. The plan also limits the ability of Medicare administrators to create programs, based on the Canadian model, to force reductions in prices imposed by U.S. drug companies.

The legislation would allocate billions of tax dollars for initiatives designed to force seniors and the disabled into HMOs, taking away the ability of these Americans to choose their own doctors and to play a role in defining the type of care that is best for them. This is the worst of all scenarios, as billions of dollars that could have been spent to guarantee low-cost or free access to needed drugs will instead be spent to prop up private firms that enhance their profits by reducing the quality of care and benefits for seniors and the disabled.

A real drug benefit for Medicare and Medicaid recipients can be developed. The money is there, and the existing structures are more than capable of delivering the benefit without costly privatization schemes. But, before real reform can be achieved, this destructive legislation must be stopped.

Blocking the legislation could be hard. Under pressure from key players in Congress, AARP has endorsed it. But the seniors organization may be out of touch with its members. At an AARP forum in New Hampshire on Tuesday, the crowd repeatedly cheered Democratic presidential candidates who expressed their opposition to the plan.

The opposition being expressed by grass-roots seniors and the disabled has inspired Sen. Ted Kennedy, D-Mass., the chief defender of programs for the elderly in Congress, to say that he thinks the legislation will be blocked by the Senate. We hope he is right. But that will not happen without a concerted effort by all members of Congress who want to create a prescription benefit while preserving Medicare.

Wisconsin Sens. Herb Kohl and Russ Feingold, both of whom have been champions for seniors and the disabled, need to join Kennedy in all efforts to block this legislation. If a filibuster is called for, they should not hesitate to support it. Indeed, they should stand at Kennedy's side in loud opposition to this assault on Medicare.

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## **The Tennessean** **Editorial**

### **Medicare drug deal too costly, too risky**

11/19/03

Surely this is not the best Congress can do for seniors who rely on Medicare.

After months of work, negotiators have surfaced with a Medicare bill. It's a massive effort with many good and necessary provisions.

After the years of promises about delivering some drug benefit to Medicare enrollees, it truly is tempting to declare that something is better than nothing, urging the bill's passage.

Yet although the legislation has worthy elements, it is, on balance, a disappointment. Congressional negotiators should go back to the bargaining table and try to get this right.

Admirably, the legislation tries to test the waters of competition. Republicans fought for outright competition between traditional Medicare and private insurers, saying competition would hold down costs. Democrats said such a provision threatened the long-term health of Medicare and would be a deal-killer. In the end, the bill creates a pilot project to test competition in six cities.

The pilot project makes sense. Medicare cannot continue functioning like it has. Either Medicare taxes must be raised, or services must be cut, or ways to hold down costs must be found. With the first two options off the political table, the third option needed to be tried.

Also needed was the element in the bill that will assess Medicare premiums according to income. The bill provides extra money for hospitals and doctors in rural areas, and extra money to hospitals that serve large numbers of disadvantaged patients: Good provisions all.

The most questionable part of the legislation, however, is the drug benefit. For premiums of about \$420 a year and a deductible of \$275, Medicare enrollees can have 75% of their drug costs covered up to \$2,200. Above that, there is no coverage until out-of-pocket expenses reach \$3,600. At that point, 95% of drug costs would be covered.

It's a convoluted plan with a gap in coverage that was necessary in order to keep the cost to \$400 billion.

The bill provides subsidies for low-income enrollees, but it requires that they have no more than \$6,000 in assets. That means a poor retiree with a credit union account would be out of luck. Although the bill contains employer subsidies to try to convince businesses to keep their existing drug coverage for their retirees, even this bill's supporters acknowledge that some businesses will drop that coverage, leaving those retirees worse off under this bill than they are today.

Moreover, the plan includes no government purchasing that would lower drug costs. It will not allow seniors to import drugs legally from Canada. It doesn't attempt to control drug prices. The drug benefit is, in fact, more beneficial to the drug industry than to anyone else. Drug makers will be able to sell more drugs to more seniors with no constraints on the costs, and with no legal competition from other countries.

Congressional negotiators have vowed to wrap up this deal before adjourning for the year. The political pressure to get a deal is palpable.

But this deal, while it would be marginally better for many seniors than the status quo, is not the Medicare drug bill the nation expected. It's too expensive for many seniors and downright risky for others. The only people who should be totally pleased with this legislation are the lobbyists who crafted it.

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## **Times Union (Albany)**

### **Editorial**

#### **Whither Medicare?**

19 November 2003

A plan to add prescription drug coverage may have more drawbacks than pluses

Even before the ink dries on the bill's 1,100 pages, Congress is under a deadline to pass legislation that would not only provide prescription drug coverage for older and disabled Americans, but also reshape the Medicare program by introducing private market competition. But the lawmakers should resist the pressure to act before they break for the Thanksgiving recess. This is not the time for hasty decisions. At the moment, there are too many unanswered questions, and too high a risk that many seniors might wind up worse off than they are now.

Even at that, the American Association of Retired Persons has given its strong support to the Republican-sponsored measure. That is a huge blow to Democrats seeking to block the bill. The AARP carries immense influence with its 35 million members. William Novelli, the AARP's chief executive, candidly acknowledges that the proposal is not perfect. "But," he adds, "the country can't afford to wait for perfect."

No. What older Americans can least afford is for Congress to rush into a sweeping overhaul of a successful health care program without doing its homework. Lawmakers should not be misled by numbers that appear favorable on their face but are deceptive when subjected to closer scrutiny. For example, Citizen Action estimates as many as 257,000 New Yorkers enrolled in the state's EPIC prescription drug program would have to pay more for drugs than they do now, and large numbers might lose coverage entirely.

Republican supporters of the reform package argue that that they have allotted billions of dollars in incentives so that private companies won't eliminate all health benefits for retirees. But the Congressional Budget Office estimates that even with the additional money, hundreds of thousands of New Yorkers enrolled in private plans, and 3 million nationwide, would lose coverage. In all, some 650,000 New Yorkers would wind up paying more for prescription drugs under the congressional plan than they do now, according to Citizen Action.

That's troubling enough. But other provisions in the reform package are even more so. The legislation would, in effect, prohibit importation of drugs from Canada, thereby eliminating powerful leverage to keep costs down. And Medicare would no longer be able to use its purchasing power to drive hard bargains with drug manufacturers. This measure alone, say critics, would pump \$140 billion into the hands of drug companies.

As with any major piece of legislation, the arguments on both sides are heated and the facts and figures often contradictory and confusing. It will take time to sort out all the

details, but from what is known already this is not only an imperfect bill. It may also be a disastrous one.

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## **Houston Chronicle**

### **Phony appeal of drugs and energy bills**

By CRAGG HINES

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Congressional Republicans sometimes protest wanly that they are not in bed with Corporate America. Then the GOP rolls over and produces the emerging energy bill and the pending Medicare prescription drug legislation. It's about time for the lobbyists and the legislators to light up a post-coital stogie. But wait. AARP wants to jump in for a mènage à trois. What a pushover the self-styled watchdog for seniors has shown itself. It should lay off that hormone replacement stuff and take a long, cold shower.

Both of the important policy measures are fatally flawed and can reasonably be described as worse than doing nothing at all. That is, of course, as the Republicans -- in the White House and on Capitol Hill -- planned it. They want to appear to do something politically popular while, at best, doing nothing and, at worst, selling out consumers even more. It will take political courage for Democrats to oppose these seemingly alluring bills.

The energy bill will have virtually no impact on our continued dependence on foreign crude or on pollution from auto exhaust, and it fails to come to grips with the weaknesses in the nation's electric power grids dramatically demonstrated by the New York-Rust Belt blackout in August. The litigation-limiting sop to the processors of the additive MTBE is obscene -- but in character.

The prescription drug legislation is even more deceptive and devilish. Republicans are interested only in the illusion of providing a popular benefit, certainly not in living up to its promise. As Consumers Union points out, Congress has agreed to fund only 22 percent of the anticipated expenditure, has prohibited negotiation of deep discounts on behalf of consumers and has, by opening Medicare to private competition, guaranteed "a perpetual flood of lobbyists requesting more money" or, in the alternative, "threatening to cut off benefits."

To begin with, a Republican-driven bill to "improve" Medicare is impossible. Republicans, especially the conservative wing of the party in power, are historically opposed to Medicare.

"This is not a complex story," said Theodore R. Marmor, a professor of public policy and political science at Yale University, who has, in fact, written the book on Medicare. At Medicare's inception, in 1965, "the simple truth is that it was a fight between basic fundamental Republican and Democratic beliefs about the role of government." That has not changed much, but because Republicans now do not want to attack the program directly, they adopt what Marmor calls "the My Lai answer: We have to save Medicare

by destroying it as we know it." The idea that a good solution will be half way between Tom DeLay and Ted Kennedy is, Marmor said, "a recipe for stupidity."

Recall that in the early 1960s, the American Medical Association, then an even more faithful adjunct of the Republican Party, hired Ronald Reagan, then a corporate capitalism pitchman, to fight enactment of Medicare. If federal health care made it onto the books, Reagan intoned in one AMA recording, Americans would "spend their sunset years telling our children and children's children what it was like in America when men were free." Some congressional Republicans clearly think Reagan was correct.

The 1964 national Democratic landslide led by President Johnson broke the back of the conservative coalition -- most Republicans and many Southern Democrats -- who for several congressional sessions had blocked the creation of Medicare.

If President Bush, who has called the prescription drug bill "a fine piece of legislation for Medicare," has a hard time recalling his party's historic antipathy to the program, all he has to do is phone Defense Secretary Donald Rumsfeld, who on July 27, 1965, as a young House member from Illinois, voted against final passage of the law. Even by that point, a slender majority of House Republicans had caught on to the the political appeal, if not the social advisability, of Medicare. Only one non-Southern House Democrat voted against Medicare on final passage.

To sign Medicare into law, LBJ went to Independence, Mo., to honor former President Truman, who had proposed national health insurance just after World War II. On July 30, 1965, with Truman at his side, Johnson declared: "No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years."

That is a promise that has not yet been fully redeemed, and it is a promise that is mocked by the Republican-led proposal into which some Democrats are cravenly buying.

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## **Washington Post**

### **Medicare Monstrosity**

By E. J. Dionne, Jr.

Tuesday, November 18, 2003

They went in to design a prescription drug benefit for seniors and came out with an aardvark.

It's said that a camel is a horse designed by committee. But the camel metaphor doesn't do justice to the Medicare prescription drug bill that came out of a House-Senate conference over the weekend. It is not a compromise but a weird combination of conflicting policy preferences. It is unprincipled in the technical sense. Nobody's principles are served by this bill.

The problem is that many conservatives, especially in the House, don't like Medicare as it is. They would prefer a system in which the government guaranteed everyone a certain amount of money that could be used to buy private health insurance. Ending Medicare as we know it is their long-term goal. They call this "expanding choice."

Most Democrats and many Republican moderates say this is a dangerous illusion. As it stands, Medicare guarantees the real choices most seniors care about -- a choice of doctors and treatment. That's why experiments with HMOs have failed so far.

The virtue of Medicare is that it creates a large risk pool. The wealthy and the healthy are in the same boat as the poorer and the sicker. Busting up Medicare's risk pool would almost certainly raise costs to poorer and sicker seniors, as insurance companies make more money insuring healthy people than sick ones. It would take an enormous amount of regulation to prevent this sort of "cherry-picking."

Now, what does any of this have to do with a prescription drug benefit? Good question. If this were only about providing a limited prescription drug benefit, Congress could have debated the best ways to cut up the \$400 billion it has allocated for this purpose. The amount covers a little more than a fifth of seniors' drug costs. Logically, this limited sum would have been best used to help the poorest seniors who are not now covered by Medicaid, and the sickest -- those whose drug costs are especially high.

Instead, Republican negotiators, joined by Democratic Sens. John Breaux and Max Baucus, went behind closed doors and decided to use the public's demand for drug coverage as an opening wedge to change Medicare. The shame of it is that Republicans and Democrats in the Senate had already reached a real compromise. The bipartisan proposal, crafted in cooperation with Sen. Ted Kennedy, was inadequate. Yet it was better than this bill. It passed the Senate overwhelmingly because it left the larger Medicare issues open for real debate later.

But House conservatives weren't willing to go that far. They want medical savings accounts, a tax cut for the wealthy in disguise, and they insisted on experiments with privatization.

But if privatization is such a good idea, why do the private insurance companies need such big subsidies to enter the Medicare market? The bill includes \$12 billion for what Kennedy calls a "slush fund" to subsidize the private insurers. That's not capitalism or competition. It's corporate welfare.

"They've created a huge bias in favor of private plans," says Jeanne Lambrew, senior fellow at the Center for American Progress and a professor at George Washington University. "How can you call it choice or competition when private plans have such a

large financial advantage?" And a bill that is supposed to expand drug coverage may cause at least 2 million seniors to lose their coverage from their former employers, Lambrew said.

What about containing Medicare costs? Market principles would tell you that with its huge pool of patients, Medicare could extract a good deal from the drug companies. But the bill prevents the Medicare system from doing that. "If you're serious about cost containment, you don't block Medicare from using its enormous purchasing power to bring drug prices down," says Robert Greenstein, executive director of the Center on Budget and Policy Priorities.

How do you know this bill is such a great deal for the drug companies and HMOs? On word of an agreement last week, share prices of drug stocks soared. Watch your television set for the millions of dollars in advertising the drug and managed-care industry groups will spend to praise this bill. Watch your wallet, too.

It will be said that to oppose this bill is to oppose a prescription drug benefit. That's nonsense. After sending this aardvark on its way, congressional negotiators could get serious about a simple, straightforward prescription drug benefit that was supposed to be the real purpose of this enterprise. And, yes, let's then have a national debate on the future of Medicare, out in the open and not in some congressional back room.

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## **The Hartford Courant**

### **EDITORIAL**

#### **A SMALL STEP IN MEDICARE**

18 November 2003

Under the Medicare legislation being trumpeted as a breakthrough, a beneficiary who incurs \$1,000 a year in drug costs would have to pay \$876 in premiums and deductibles to get a not-so-generous \$124 from the government.

Uncle Sam would pay more as a beneficiary's drug bills increase. Someone who pays \$5,000 annually for prescription medicine would get \$2,646 of it reimbursed.

As the numbers show, the agreement congressional Republicans reached over the weekend is not really a big deal for most beneficiaries. But it's still a big-ticket item, estimated to cost \$400 billion over the next decade.

There's nothing modest about health care costs. They gallop at double-digit increases even when the overall inflation rate is negligible.

As usual with fiscal legislation and social programs, the middle class will hold the short end of the straw if the grand compromise is signed into law. Under reformulated Medicare, the cost of paying doctors' bills would be linked to a beneficiary's income.

That linkage would be a first since Medicare's birth four decades ago. Until now, every American who paid Medicare payroll taxes has been entitled to the same level of government health benefits. The idea of tying benefits to income has a progressive ring, but not to the tens of millions of middle-class Americans who have believed in the social contract under which they have paid their "insurance" taxes.

Another provision that should be further scrutinized is the ability of Americans to buy less expensive prescription medicines from abroad. The compromise would allow such purchases only from Canada and only of medicines the U.S. Food and Drug Administration approves for importation.

The FDA, however, could take a long time giving its approval; you can bet that pharmaceutical manufacturers would beg for delays.

That Americans would still be prohibited by law to buy prescription drugs, often made by U.S. companies, from Mexico is perplexing.

But drug imports and prescription coverage were not the major bones of contention on Capitol Hill. The most notable development was that congressional conferees broke through the hitherto impenetrable wall of insulating Medicare from private competition.

Competition is good, but privatization under the compromise would be a misnomer. Most of the private companies would receive government subsidies and would be able to pick and choose which Medicare beneficiaries they invite to enroll.

The package that GOP lawmakers produced is not as complicated or expensive as President Clinton's doomed health care plan, but it's confusing nevertheless. Prescription coverage, for example, would end when a beneficiary's drug costs exceed \$2,200, but would resume once out-of-pocket spending reaches \$3,600.

The poor are treated fairly under the compromise. Those not on Medicaid but earning up to \$12,123 and owning "fluid" assets of up to \$6,000 would not have to pay any premiums and deductibles.

It's not a simple or pretty picture, but would the changes improve the health care of Americans? Probably, but not by much. For decades, lawmakers have promised to help those who cannot afford to buy prescription drugs. They appear ready to take a step forward. A small step at a big price.

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## **The Baltimore Sun** **Editorial**

November 18, 2003

## **Reward not worth risk**

LAWMAKERS WHO let political expediency determine their vote on the Medicare drug bill are an enviable lot. For them, the choice is easy.

President Bush needs Republicans to help him boast in next year's elections that he delivered on the top demand of a key voter group. Democrats can't afford to let the GOP rob one of their key issues.

Far more difficult is the policy judgment on whether the sweeping structural changes proposed for Medicare offer enough promise to be worth the risk of harming the enormously popular program. From details so far available, it appears they do not.

This legislation, developed over many months of negotiation, has much to recommend it. In many areas, it represents a genuine compromise between those who want to shield taxpayers from explosive growth in Medicare spending and those trying to protect the aging population Medicare serves.

Most notably, a proposed competition between private insurance plans and Medicare's traditional fee-for-service program has been reduced to a small experiment. For the first time, Medicare premiums will be assessed according to income, but those at the low end will get significant new help at little or no cost, particularly from the added drug benefit. And a whopping \$88 billion has been offered as a sweetener to employers to encourage them to continue offering drug benefits to retirees.

The drug coverage to be provided at an average premium of \$35 per month is too skimpy, but worth accepting to establish a base upon which to build.

What tips the balance the other way is that the legislation is more about shifting medical costs to beneficiaries than actually reining costs in. Particularly on pharmaceuticals, the lawmakers missed a huge opportunity to use Medicare's buying power to leverage more than minimal discounts.

Instead, the Medicare measure represents a win-win-win for the drug lobby: Use of their products would increase, prices would be negotiated individually by private plans serving only regional areas, and reimportation of U.S.-made drugs from Canada would continue to be blocked, despite overwhelming support in Congress.

As part of the bargain requiring the affluent elderly to pay for a greater share of their medical care, the government should be using its power to make sure they get the best possible deal. This isn't about the rich, or even just about the elderly; it's about taking steps toward better managing the cost of health care for everyone.

Democrats warn that, if adopted, the GOP-plan would mean the end of "Medicare as we know it." But that's the whole point. The Great Society program is woefully outdated and inefficient. It pays too much for some services, too little for others. Doctors are increasingly turning away Medicare patients unless they pay extra.

Medicare already consumes 13 percent of federal spending, and its share is expected to balloon after the baby boomers start retiring in 2011. That could create huge distortions in a budget already deeply in the red.

So, Medicare as we know it must change. Some cost-shifting to beneficiaries is inevitable. But in this bill, government doesn't hold up its end of the bargain to make sure the costs are reasonable.

Negotiators should go back to the table.

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## **Des Moines Register Editorial**

### **Editorial: A Medicare monstrosity.**

The bill is a huge giveaway to industry with only modest help for seniors.

11/18/2003

Once upon a time, lawmakers wanted to add a prescription-drug benefit to Medicare. In year one, they failed. In year two, they failed. Now, in year three, the quest for a drug benefit has ballooned into a plan to change the entire health-care program for 40 million seniors.

As a few details about the 1,100-page bill crafted in conference committee trickle out, it's clear another failure this year would be best for Americans.

Why?

Because the legislation is a big, sloppy kiss to the pharmaceutical and insurance industries, it makes no attempt to hold down rising drug costs, it starts down the path toward the dismantling of Medicare, and it will add another \$400 billion to the national debt.

Here's how:

The proposed drug benefit leaves gaps in coverage, and it's unclear how it would be paid for. It doesn't go into effect for three years. And it's a gift to drug companies because the plan does nothing to slow the rising cost of drugs.

Another favor to pharmaceutical companies is the failure of the legislation to allow Americans to obtain drugs from Canada. Americans are forced to pay the higher prices drug companies charge in this country. Lawmakers are leaving it up to federal regulators to decide whether to allow imports - the same regulators who have been vocal in opposition to drug importation. In recent months, they've issued warnings and threatened legal action against those bringing drugs across the border. Lawmakers knowingly doomed the idea to failure.

Starting in 2010, the government would sponsor experiments allowing private plans to compete with traditional Medicare to cover seniors. It's another attempt to impose the same, tired idea that private industry somehow will figure out a way to hold down health care costs through the magic of competition.

Every American whose insurance comes from the private sector knows that competition hasn't driven down costs. Quite the opposite. Consumers have seen their health-care rationed while costs soar and coverage diminishes.

Besides, Medicare tried using private industry already. The result was 2.4 million seniors who were dropped by their private carriers from their Medicare HMOs between 1999 and 2003. The General Accounting Office estimated that in 1998 Medicare HMOs were paid \$5.2 billion more than it would have cost to cover those seniors in the traditional Medicare program. While traditional Medicare spends about 2 percent on administrative costs, private-sector HMOs spend an average of 15 percent on administration.

Health care is one area where market forces simply have not worked to drive down costs. In theory they should, perhaps, but in the real world, the government is better than the private sector at a few things - and running Medicare is one of them.

A drug benefit, combined with cost containments, can be enacted without starting down the road toward privatizing Medicare, as this bill does.

Lawmakers need, once again, to go back to the drawing board. This time they should try a new approach: Focus on holding drug prices down, keep 40 million seniors in one buying group to leverage lower prices, open up the global market on drugs to Americans, and remind themselves their job is to serve the interests of the people, not industry lobbyists.

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## **Charleston Gazette (West Virginia) Editorial**

November 17, 2003, Monday

### **Medicare, Undermining seniors**

A REPUBLICAN U.S. senator said it best: "It's the first phase of undermining Medicare as we know it," cautioned Maine's Sen. Olympia Snowe.

The Medicare bill now stuck in a conference committee is supposed to be about giving seniors a prescription drug benefit. But most Senate Republicans, eager to privatize every government program they can get their hands on, are trying to insert provisions into the bill that would weaken the most successful one America has.

In the name of competition, Republicans want to set up a demonstration project to test whether private insurance can do the job better than Medicare.

The way it's planned, the project won't test anything. It allows the government, instead of giving seniors direct support through Medicare, to give them money to buy private insurance. But the private insurers, with indirect support from the government, would be able to choose the healthiest patients and leave traditional Medicare with the sickest. Medicare costs per patient would increase, leading to higher premiums for those who stay with the program. And the sickest patients - those who need it most - would have no choice at all.

In addition, Senate Republicans are pushing a provision they call cost-containment, engineered to force the program's inevitable financial crunch to come even earlier by designating interest from the Medicare trust fund as "general revenue" and limiting its use.

Handing private insurers government money is not competition, it's government support. If private insurers could compete effectively with Medicare, they would be doing it already. But that isn't happening.

If Republicans insist on these measures as the price of prescription drug coverage, Democrats would do well to block it. Then, no doubt, Republicans will noisily proclaim that they were ready to provide prescriptions, but the silly Democrats wouldn't allow it. Don't believe it. Prescription drug coverage is a worthy and necessary goal, but not at the price of undermining the benefits seniors already have.

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## **The Journal News (Westchester County, NY)**

November 17, 2003

### **A battle to save the nation's Medicare**

Pat McArdle

As Congress gets ready to pass this historic Medicare prescription drug bill, how come there is no visible celebration and enthusiasm among older New Yorkers and their advocacy organizations like ours?

Congress is in the midst of negotiating a compromise on how the Medicare program should structure a prescription drug benefit. Meanwhile, senior advocacy groups, including union and nonunion retirees, and hundreds of community groups throughout New York are very concerned at the direction that the Medicare conferees are headed.

While we applaud congressional efforts to add a prescription drug benefit to the Medicare program, we do not support the current proposals that will essentially end Medicare as we know it. Medicare has been the most successful health program in this nation's history, providing comprehensive care to more than 40 million Americans with very low administrative costs.

While we would like to see a prescription drug benefit added to the Medicare program this year, we cannot support a proposal that:

- \* Privatizes Medicare by turning over the prescription drug benefit to the insurance companies.
- \* Privatizes Medicare by subsidizing private plans and then forcing Medicare to compete with these plans by the year 2010.
- \* Places at risk the current benefits of millions of retirees nationwide, including more than 350,000 New York retirees and 325,000 EPIC participants.
- \* Contains large gaps in coverage and shifts the costs of prescriptions to the beneficiaries it is supposed to help.
- \* Does nothing to control the spiraling costs of prescriptions.
- \* Does not allow Medicare to negotiate discounts with pharmaceutical manufacturers.
- \* Increases costs to states for "dual eligibles."
- \* Means tests the Part B premium, requiring higher-income beneficiaries to pay more for coverage.

What we would support is a comprehensive, affordable, accessible plan that does not contain gaps in coverage and takes steps to reduce the rising costs of prescriptions. Unfortunately for New Yorkers, the proposal being negotiated by Congress would be much less generous than what many seniors already have, and for those who do not have coverage they will be expected to pay substantially high out-of-pocket costs for a very small benefit.

Congress must do better for the seniors they represent. It must stand up to the insurance and drug industry, which would be big winners under this proposal. It must vote "No" on a conference report that contains these provisions. It must stand up for Medicare and the seniors who rely on it.

The writer, of Chestnut Ridge, is president, Rockland Chapter, New York Statewide Senior Action Council.

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## **Fort Worth Star-Telegram**

November 15, 2003

### **GOP-led Congress, Bushies keep us cynical**

Molly Ivins

As Lily Tomlin observed, no matter how cynical you get, it's impossible to keep up. But the Congress of the United States is doing its best to keep us up to snuff in this department, and we would particularly like to thank all of them, and the Bush White House as well, for keeping us on our misanthropic toes.

Gee, it seemed like such a good idea - a plan to help senior citizens with their outrageous drug bills. It's bad enough the drug companies are ripping off the rest of us, but seniors on fixed incomes are just brought to their knees by these unconscionable prices. They've been begging for help for years and, for years, the pols have been promising to deliver. And now they will. Oops. Bad news.

According to a report by the co-directors of Boston University's School of Public Health titled, "New Medicare RX Benefit Means Big Profits for Drug Companies," we have once more failed to sufficiently overestimate what special-interest money can do to legislation written by our elected representatives. According to the report, "An estimated 61.1 percent of the Medicare dollars that will be spent to buy more prescriptions will remain in the hands of drug makers as added profits."

Isn't that nice? Sixty-one percent of what the plan costs will be additional profit for drug companies. Just what we had in mind. Only our fully-bought-and-paid-for politicians (in Texas, we rather delicately refer to them as "whored out") could have taken a plan to help seniors and turned it into a plan to help drug companies already making obscene profits. Their estimated increased profits under this bill are \$ 139 billion over eight years.

Of course, that's not all that's wrong with the bill. It has a peculiar doughnut provision that eliminates coverage for total out-of-pocket drug costs between \$ 2,200 and \$ 5,000. The legislation also prohibits Medicare from "interfering" to lower drug prices by negotiating or implementing a price structure, or ceiling. Isn't that special? Several governors are considering buying their drugs in Canada, which could save them hundreds of millions of Medicare dollars. But when the House put such a provision in the bill this summer, the White House promptly threatened to veto the entire bill.

If you think that's a lovely bunch of coconuts, wait'll you see the energy bill! Holy pig, what a staggering piece of pork this is - what a beauty, what a lulu, what a special-interest bonanza. The corporate giveaways in this thing are just staggering. We're not just talking tax breaks here, there are billions and billions in actual giveaways of taxpayer money to these immensely profitable - and immensely polluting - industries.

Oil and gas, which paid an effective tax rate of 12.5 percent in the late 1990s (would you like that rate?) already have gotten \$ 10 billion in tax breaks from this administration over the next five years. Now they get another \$ 10 billion from the energy bill. Thank goodness Santa didn't forget the coal industry or, for that matter, the singularly repulsive coalbed methane industry, or the absolutely amazing alchemical synfuel industry, which gets \$ 1 billion in tax credits each year for transforming coal into coal. (You really must read up on that one.)

Here's one I especially like - a \$ 2.5 billion tax break for ExxonMobil, ConocoPhillips and ChevronTexaco to write off the cost of exploring for oil on our public lands and off our coasts.

Oh, this bill is so cool. Research subsidies, development subsidies, construction subsidies - and that's just the beginning of the goodies. The big polluters won't have to pay to clean up their toxic pollution anymore, especially water polluted with MTBE. And, as usual, your nonpolluting renewable-energy industries - solar, wind, geothermal - get peanuts.

But hey, lots of people are getting peanuts from this Congress. They cut Pell grants for college students, and they left 12 million children out of the child-tax credit.

Nobody except students of politics worries much about process - everyone else knows it's like sausage-making and wisely averts his eyes. But you might want to keep an eye on some chilling procedural signs. Democrats are now being shut out of some conference committees entirely. That's new. What we're seeing more and more is less a pragmatic approach to problem-solving, which used to be the way things got done in politics, and more and more straight party-ideology voting.

Compromise is becoming unfashionable. As Texas Sen. Gonzalo Barrientos said of his Republican colleagues: "They don't want to govern. They want to rule."

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## **New York Times**

November 15, 2003 Saturday

### **Taking aim at Medicare**

Paul Krugman

What are we going to do about Medicare? That should be the subject of an open national debate. But right now congressional leaders are trying to settle the question by stealth, with legislation that purports to be doing something else.

An aging population and rising medical costs will eventually require the nation to provide Medi-care with more money or to cut benefits, or both. Meanwhile, there are demands for a new benefit: a gradual shift away from hospital treatment and toward the use of drugs has turned the program's failure to cover prescription drugs into a gaping hole.

A congressional conference is now trying to agree on prescription drug legislation. But beware of politicians bearing gifts: The bill will contain measures that have nothing to do with prescription drugs, and a lot to do with hostility to Medicare as we know it. Indeed, it may turn out to be a Trojan horse that finally allows conservative ideologues, who have unsuccessfully laid siege to Medicare since the days of Barry Goldwater, to breach its political defenses.

Some background: Originally, Medicare provided only hospital insurance, paid for with a special tax on wages -- and this tax, according to estimates from the trustees, will be enough to cover hospital insurance costs for at least 20 more years. Medicare now also includes additional benefits, but the costs of these benefits have always been covered out of general revenue -- that is, money raised by other taxes.

But one of the proposals being negotiated behind closed doors -- misleadingly described as "cost containment" -- would set a limit on Medicare's use of general revenue, and would require action seven years before projections say that limit will be breached. This rule is reinforced with a peculiar new definition of "general revenue" that includes interest on the Medicare trust fund, accumulated out of past payroll taxes. The effect would be to force the government to declare a Medicare crisis in 2010 or 2011.

You might say it's a good idea to face up to Medicare's problems early. But the legislation would allow only two responses: Either an increase in the payroll tax (a regressive tax that bears more heavily on middle-class families than on the wealthy) or benefit cuts. Other possibilities, like increases in other taxes or other spending cuts, would be ruled out. In short, this is an attempt to pre-empt discussion of how we want to deal with Medicare's future, and impose a solution reflecting a particular ideology.

Meanwhile, another proposal -- to force Medicare to compete with private insurers -- seems intended to undermine the whole system.

This proposal goes under the name of "premium support." Medicare would no longer cover whatever medical costs an individual faced; instead, retirees would receive a lump sum to buy private insurance. (Those who opted to remain with the traditional system would have to pay extra premiums.) The ostensible rationale for this change is the claim that private insurers can provide better, cheaper medical care.

But many studies predict that private insurers would cherry-pick the best (healthiest) prospects, leaving traditional Medicare with retirees who are likely to have high medical costs. These higher costs would then be reflected in the extra payments required to stay in traditional fee-for-service coverage. The effect would be to put health care out of reach for many older Americans. As a 2002 study by the Kaiser Family Foundation judiciously put it, "Difficulties in adjusting for beneficiary health status ... could make the traditional Medicare FFS program unaffordable to a large portion of beneficiaries."

What's going on? Why, bait and switch, of course. Few politicians want to be seen opposing a bill that finally provides retirees with prescription drug coverage. That makes a prescription drug bill a perfect vehicle for smuggling in provisions that sound as if they have something to do with improving Medicare, yet are actually designed to undermine it.

Faced with adamant opposition from Democrats like Sen. Edward Kennedy, who understand exactly what's going on, the Republicans are reported to have retreated a bit. The consequences of the crunch planned for 2011 will apparently be less drastic, and premium support will be introduced as an experiment -- albeit one involving millions of people -- rather than all at once. But this bill is still a Trojan horse.

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## **The Journal News (Westchester County, NY)**

November 15, 2003 Saturday

### **Medicare has one foot in the grave**

Lin Osborn

Medicare's prescription overhaul is so loaded with unrelated poison pills, it's a wonder that it hasn't imploded. This proposal is not what it claims to be: a buy-in benefit to help seniors with the increasing costs of pharmaceuticals. That \$400 billion dispute was settled months ago by an inelegant and chicken-hearted doughnut-shaped compromise that will make some people pay more for their medicines and a few pay less, and will result in a colossal payoff for pharmaceutical companies.

The bill is being negotiated in a closed-door congressional committee where compromises and deals are being made all over the place.

The down-to-the-wire dispute centers on the principles Medicare was founded upon. Nowadays, when you hear the words principle and Congress in the same sentence, we all know that the real subject is funding: Who pays, how much and to whom.

And in Washington, controlling the costs of health care really means shifting costs off of the Fed's books, and into your pocket.

And they'll force you to buy retail.

Congressional reformers are not content fusing special tax shelters for wealthy individuals onto this pharmaceutical benefit for seniors. That still doesn't get to the heart of the matter. Financial gifts granted to both the drug and insurance industries (which will come directly out of care that should be delivered) are also not on the chopping block.

Predictably, the cash of the consumer is scheduled for the slicer again.

A new piece of legislation proposed by the Bush administration would put an arbitrary limit on total expenditures for the Medicare system. All the costs of parts A and B would be lumped together, along with the new pharmaceutical benefit. A grand total would be computed every year. Then all that is necessary is to wait for the baby-boomer generation to swell the number of people who access care.

Once we hit a couple of bad flu seasons, the amount spent will undoubtedly go over this cap. An "insolvency crisis" will have been precipitated, and the promise of Medicare as a program of social insurance will be over.

When that happens, the president would be granted unprecedented powers to change the structure of Medicare, overriding and limiting Congressional rules and Senate debate. Possible scenarios include the dissolution of Medicare into a voucher program, further reductions in physician reimbursements, higher payroll (not income) taxes and higher out-of-pocket costs for co-payments and deductibles. Most likely, it would be some combination of these.

The semantics of the critical goal will be to give everyone their own "choice" of care. Nice choice - either you choose to pay for health care, or you die.

If this plan becomes law, less than a decade from now we will hear compassionate wailing about how this could never have been foreseen. The unfortunate unintended consequences of this heroic bipartisan legislation that was meant to shore up and protect Medicare for generations to come were unexpected and unavoidable.

Don't believe it.

This plan is designed to starve Medicare until it can be drowned in a bathtub; and then they'll do it with apologies all around. The president said famously that Medicare was broke, and he aimed to fix it.

Now we know how the fix is in.

If you're over 70, living around the poverty level, have several chronic diseases, live past 2006 and die before 2011, financially you'll probably wind up ahead.

If you are 55 or less and healthy, Congress may try to tell you Medicare will still be there for you, but it's a bald-faced lie.

The writer is director of Health Plan Navigator, a patient advocate group in Hastings-on-Hudson.

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## **USA Today**

### **Don't act hastily**

11/17/03

By James Firman

It would be tragic if Congress held up passage of a prescription drug bill because of ideological disputes about the long-term future of Medicare. We owe it to our nation's elders to provide a guaranteed safety net for prescription drugs, while allowing for careful, well-designed experiments rather than drastic changes for the rest of Medicare.

Before a new medication is approved for use in this country, the Food and Drug Administration requires that it be proved "safe and effective." The same standard should apply to Medicare reform.

Although there are many pet theories about how to "fix" Medicare and save money, there is almost no reliable evidence that any of the proposed approaches actually will improve health care or lower costs for seniors.

Some call for a single-payer system with price controls, others want greater reliance on competition among private health plans, and still others advocate medical savings accounts. The National Council on the Aging believes that improving coverage for preventive services and chronic-disease management would result in healthier seniors and lower costs. Let's test all of these approaches while avoiding sweeping changes until we know what works. Proven solutions, not unsubstantiated hypotheses, should guide Medicare reform.

Some proposed cost-containment measures threaten to violate the "safe and effective" standard. One provision in the Medicare bill would trigger congressional action when general revenue contributions exceed 45% of Medicare spending. Although the provision has been improved, we worry that such blunt instruments may be used to justify increases in out-of-pocket costs for seniors. Half of them have annual incomes of less than \$16,000, and Medicare now pays for only about one-half of their health care expenses on average. We worry that capping Medicare's general revenue contributions could lead to payroll tax increases, which would unfairly affect working-poor and middle-income families.

Medicare faces significant financial challenges as baby boomers age. But Medicare costs should not be viewed in isolation from other budget concerns or singled out for different treatment.

America is the wealthiest nation in the history of the world. We can afford to provide decent health care coverage for all of our citizens, seniors as well as millions of uninsured younger people. We don't lack the resources to provide health care for everyone; we lack the shared commitment and political will.

Congress should not rush to vote on the recently brokered Medicare deal without first considering carefully all 1,000-plus pages of the legislation. Millions of seniors desperately need help paying for prescription drugs, but millions more are counting on their elected leaders to ensure that proposed reforms are "safe and effective" — and do not undermine one of our nation's most successful and popular programs.

James Firman is president of the National Council on the Aging.

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**Newsday**

Medicare Drug Benefit Isn't a Nice Bill to Swallow

*Prepared by the Office of the Democratic Whip*

November 15, 2003

Saul Friedman

My mail over the past few weeks poses a mystery. Despite the initial demand for a drug benefit among Medicare beneficiaries who struggle to buy the drugs they need, not a single senior who has written is looking forward to the prescription drug bill being fashioned in secret by the Republican-dominated House-Senate conference committee. Rather, leaders of senior groups tell me that Medicare beneficiaries fear the outcome.

So the mystery: Why the rush to pass a bill before next year? Where is the pressure coming from? If most Medicare advocates say they would rather have no bill, who wants it? President George Bush and Republican leaders want election-year credit for a drug bill, which gives them cover to begin privatizing Medicare. Drug companies are happy with the Republican bill because it prohibits price controls and they're financing a push for passage with the help of right-wing senior groups.

Most Democrats have been excluded from sessions of the conference committee. But some Democrats, notably Sen. Edward Kennedy (D-Mass.), hope that moderate Republicans will force the ideologues to retreat from efforts to kill Medicare. And organizations such as AARP and Families USA, which have invested time, money and lobbying energies trying to wring out the best deal possible, think even a bad bill that gives some drug coverage could be a good beginning.

These people ought to read my mail.

Anthony A., of Windemere Ponds, a retired New York cop and World War II vet, notes that millions of retirees may lose their present drug coverage: "My wife and I receive secondary insurance from NYC as part of our retirement. To lose it ... would be devastating. ... It seems lately all we seniors hear is how this administration is going to change Medicare and Social Security. ... Our protests are being ignored because we don't have a far-reaching future and God knows the past is forgotten."

Anita Borow, who moved with her husband to South Carolina last summer from Nassau County, which they could no longer afford, has some drug coverage from her Medigap policy. But she asks, "Why can't all these experts in government and the AARP understand their fixes will only hurt the average-income senior? ... If Medicare is ruined or compromised and an illness strikes, we could be wiped out in no time."

Walter S., of New Canaan, Conn., e-mails: "During the last three years I had two extended hospital stays which also involved medical providers of many specialties, all of which was covered by Medicare Part A and B and my own AARP Medigap plan F. As it is, Medicare works. It is ... not in need of any fixing or finagling by the vote buyers in Washington. They should ... enact an optional prescription drug program as a supplement to the existing Medicare to provide some relief from the greedy drug companies consistent with our society's ability to pay with reasonable deductibles and co-pays. We don't need smoke and mirrors."

Anthony L., of Naples, Fla., writes, "I will be one of those who will opt out of Medicare if they start to base premiums on my wealth and earnings. I have paid higher income taxes all my life, FICA and Medicare taxes, and still have saved so as not to be a burden on anyone, including the government. The message out of Washington seems to be ... 'Tough, Buddy.'"

Louis Brunelli, the retired associate dean of Juilliard, who has survived a struggle with cancer and heart problems that included implanting a pacemaker and defibrillator, wrote, "Medicare paid \$49,770.71 for the job. No doubt a private carrier would not have sanctioned the procedure since I was considered a borderline case."

And David G., of Manhasset, says, "AARP is so absorbed with having Congress pass any prescription coverage that it is not considering the consequences on those of us that presently have coverage."

Actually, AARP is painfully aware that the prescription drug bill as it now stands is widely unpopular with its members. A top AARP lobbyist told me, "It will be a very tough sell. But it has some worthwhile features. It sets aside \$400 billion over 10 years for drugs. And it provides benefits for poor Medicare beneficiaries."

But most AARP members are not poor and he acknowledged that the possible loss of retiree drug benefits, premium increases for more affluent beneficiaries, higher deductibles and new co-payments, plus subsidies for private insurance companies that could undermine Medicare would make the bill difficult to swallow. "Whether the good outweighs the bad, we don't yet know. We will decide when the bill comes out of committee," he said. "We're hoping to improve it."

But if AARP and enough Democrats help pass a bill that includes means-tested premiums and benefit cuts, said attorney Judith Stein, director of the Center for Medicare Advocacy, it could go the way of the 1989 Medicare Catastrophic Coverage Act, which was repealed when beneficiaries rebelled at the imposition of a surtax.

The 1989 bill "had far greater benefits than is currently contemplated," she told me. "If history teaches, an income-related payment could again lead to a rejection of the new package, particularly if the new benefits are questionable."

And there was this e-mail from George Wechsler of North Bellmore, "If memory serves, there was a senior citizens revolt some years ago when Congress tried to exact special charges for coverage. Couldn't this be repeated? What they are trying to do with Medicare is far worse than the catastrophic coverage fiasco."