More Editorials and Op-Eds Against GOP Rx Drug Bill
(as of 11/21/03)

"The rest of this week will show Americans what the Democrats in Congress are made of."

-Charleston Gazette (WV) (11/20/03)

Don't Buy It

Newsday
November 21, 2003

The elderly have been waiting for years for Medicare to pay for prescription drugs. They should hold out a little longer. The Republican plan before Congress won't give them what they need. It would squander billions of borrowed dollars on an ideology-driven move to privatize Medicare, while delivering a meager, too-complex drug benefit. Congress should reject it.

Most Medicare beneficiaries would be forced to go to private insurers for the drug coverage. Premiums would vary widely. And many people would find themselves in the so-called "doughnut hole" for part of each year. They would have to keep paying premiums while Medicare paid nothing. The coverage would kick in again only after their out-of-pocket spending reached $3,600 for the year.

The poor would not have to pay premiums. But the poorest elderly and disabled - those who qualify for both Medicare and Medicaid - would be hit with higher copayments than they pay now under Medicaid.

Given a choice, that's not coverage many people would buy. And yet the bill would funnel billions of dollars to insurance companies to entice them to offer stand-alone drug plans. Another $12 billion would go to managed care companies that agree to offer full coverage comparable to Medicare. They'd be allowed to cherry-pick the healthiest seniors as customers.

The idea is to foster competition between private plans and Medicare to contain costs. It's not likely to work, given the record of Medicare+Choice, which has offered HMO coverage for the elderly since 1997. The result? Turmoil. HMOs have dropped 2.4 million seniors and reduced coverage for countless others. And Washington will pay HMOs more per beneficiary next year than it would cost to cover the same people under traditional Medicare.

The bill blocks other cost-containment measures: Federal officials would be barred from negotiating prices directly with drug companies. Americans wouldn't be allowed to buy lower- cost drugs from Canada unless the Food and Drug Administration approves; it wouldn't. And an experiment, set to begin in 2010, would force millions of seniors either to pay higher Medicare premiums or join private plans.

Congress will vote on this turkey by Thanksgiving. It mustn't pass government inspection.

Congress is poised to offer a Medicare drug benefit

Akron Beacon Journal (OH)
November 19, 2003

President Bush wants to sign new Medicare legislation by Thanksgiving. It's almost certain he'll get his wish. Never mind that the new bill promises to raise the federal tab for health care significantly while doing little to prevent high-flying drug prices, the reason that spurred revision in the first place. The concern, it appears, has been to get something enacted and worry about the details later.

The full House and Senate will likely vote this week on the massive revision of the federal health-care program for the elderly and disabled Americans.

For the first time, Medicare will offer a prescription drug benefit to seniors. The absence of coverage in the original program has become a potent political issue as more seniors face steep increases in prescription drug prices.

The new Medicare, which would take effect in 2006 if Congress approves the compromise deal, offers beneficiaries drug coverage for a premium averaging $420 a year and a $275 deductible. Medicare would then cover 75 percent of drug costs up to $2,200. Beyond that, seniors would pay for drugs out of pocket until their expenses reach $3,600. Medicare would then resume payment at 95 percent of prescription drug costs.

The new program has its merits, to be sure. For seniors who have no coverage, very modest incomes or very high medication bills, even modest assistance in the form of subsidies and waivers is welcome relief. The bill requires seniors with higher incomes to pay more of their drug costs, an overdue effort to reduce the cost of entitlement. It recognizes the growing financial hardships that high drug prices pose across the board to individuals, regardless of age, and to large and small employers.

Still, without an effective means to restrain double-digit price increases, the bill protects neither seniors nor the general population from ever-rising out-of-pocket costs.

For example, subsidies to low-income seniors phase out when an individual's income reaches about $13,500 a year. Also, the bill keeps the ban on importing cheaper drugs from abroad, an option that individuals and even a few states are pursuing to lower their expenses.

In response to drug costs, employers are shifting more health-care costs to employees. In some cases, they are dropping drug coverage for current and past employees. The Medicare bill offers $70 billion to employers. It did not do so out of kind-heartedness but to buy employers' cooperation on a real possibility: that many will scrap their retiree drug plans and force more seniors into the federal drug program.

At an estimated cost of $400 billion over 10 years, the drug benefit appears under funded. Additional incentives to private health plans, rural hospitals and doctors to ensure their participation raise the overall price tag. The question is whether the federal government can sustain the patchwork of co-payments, subsidies and incentives as baby boomers retire, the pool of beneficiaries grows and drug prices continue to soar.

In the end, what is at stake is the long-term financial viability of the drug benefit, if not the Medicare program itself. The provision for a pilot program that permits for-profit private plans to compete with traditional Medicare does increase confidence in the commitment to an affordable, federal health-care program for seniors.

At best, the Medicare compromise amounts to a costly patch that pushes the problems into the future.

The rush to kill Medicare

Boston Globe
November 19, 2003
By Robert Kuttner

THE BUSH administration's Medicare bill is a calculated first step toward ending universal Medicare in favor of vouchers. President Bush and his congressional allies have deftly baited this hook with meager prescription drug benefits.

With legislators wanting to go home for Thanksgiving, the White House hopes to force a vote by this weekend. The haste is understandable: The more this cynical bill is exposed, the less legislators will fear voting against it. Consider:

Skimpy Drug Benefits. The administration refused to confront the pricing power of drug companies. So the government would be billed at exorbitant prices, and the new $40 billion a year in benefits would cover only a fraction of consumers' drug expenses.

Under the formula, if you incurred $3,600 of annual drug costs, the program would cover only $1,285. (It covers 95 percent after $3,600, but a lot of people would not participate at all because they couldn't afford the upfront costs.)

Capped Benefits. The administration's real goal is to shift Medicare from a public program to a private one, with the government's contribution capped. For the right, it's a threefer: contain government's costs, shift risks to consumers, and let private industry cash in. Heathier and wealthier people could supplement the voucher with their own resources. Poorer and sicker ones would get diminished coverage.

The bill authorizes "experiments" in six metropolitan areas, where private insurers subsidized by the government could lure healthy seniors away from traditional Medicare. However, past experiments with Medicare HMOs demonstrate that they are far less efficient than public Medicare and leave government holding the bag for the sickest patients. Medicare works because it is a universal insurance pool. Fragmenting that pool can only raise costs, divert profits, and compromise care.

Means-testing. The bill subjects poorer seniors to an assets test and raises Medicare premiums for middle- and upper-income seniors. It also effectively bans drug imports from Canada. And it actually reduces drug benefits for people on Medicaid and those with private retiree coverage.

It's dismal policy. Viewed as a bill for special interests, however, the Medicare legislation is sheer genius.

Pharmaceutical companies get to sell more drugs at prices they set. Hospitals and doctors receive additional payments. Insurers get to run a lucrative new program with government subsidies. And corporations that are paying health benefits to retirees get new tax breaks worth $18 billion.

The administration also deftly coopted the feeble giant AARP. As recently as last July, the AARP's president, William Novelli, warned that "any final conference agreement should not destabilize Medicare nor penalize those beneficiaries who choose to stay in the current Medicare program." But this is exactly what the conference bill does.

Sources close to AARP say that Novelli and his lobbyists, often allied with Democrats, wanted to point to a bipartisan accomplishment.

When AARP's $7 million advertising program in support of the bill was announced, the organization's switchboard jammed with angry calls. AARP has long been a business conglomerate selling products to the elderly posing as an advocacy group. Novelli is taking a huge gamble. The more his members appreciate what's really in this bill, the more his move could backfire.

Last spring the Senate passed a more moderate bill in which liberals led by Senator Ted Kennedy somewhat reluctantly traded expanded drug coverage for sponsorship by private insurers rather than via public Medicare. However, Kennedy's bottom line was: no serious tampering with the rest of Medicare.

Democrats gambled that the Republicans, in order to get a bill, would have to meet liberals halfway. But White House officials concluded that by playing interest-group politics they could peel away enough votes for their plan and ignore the liberals.

Bush's bet is that the Democrats are damned either way. Either voters don't read the fine print and Democrats get tarred for opposing a drug benefit bill in an election year or they are made to collude in voucherizing Medicare.

While two center-right Democrats, John Breaux of Lousiana and Max Baucus of Montana, supported the conference bill, Kennedy as well as the Democratic leader, Tom Daschle of South Dakota, and whip Harry Reid of Nevada oppose it, as do most Senate Democrats and seven moderate Republicans.

If the Senate's liberals and moderates can withstand the pressure for a quick vote, the bill's deficiencies will come to light. And at least 40 senators -- the number needed to filibuster -- will realize that it's better election-year politics to resist wrecking a much-loved program than being complicit in its demise.

Two fronts: Special interests triumph

Charleston Gazette (Charleston, WV)
November 20, 2003

“THIS is not a perfect bill,” declared William Novelli, chief executive of AARP, as he capitulated to pressure from the Bush administration to back its Medicare prescription bill in Congress. That tepid endorsement, along with the reluctant support of some moderate and conservative Republicans, probably spells very bad news for Medicare, as Congress begins the process of handing the senior medical plan to private insurance companies and starving it of funds prematurely.

On a similar front, the energy bill now being pushed by the Republican leadership hands big rewards to oil and gas companies in the form of tax breaks, a fast-track approval process for drilling and leasing in environmentally sensitive areas, and exemptions from the Clean Water Act. It rewards the producers of all the dirtiest forms of energy and does almost nothing to promote cleaner, more modern technologies. And conservation is a concept, it seems, banished to the netherworld, where it can never pop up to scare the likes of Halliburton oil.

Both bills would hand over enormous bouquets to the friends and contributors to the Republican Party: big insurance and big energy. In both cases, the rest of Americans will suffer.

Republicans, it seems, have succeeded in linking the undermining of Medicare to a prescription benefit and scaring enough Democratic senators into supporting it. All but the most committed seem set to cave in to the threat that, if they don’t support the dismemberment of Medicare, they’ll be accused of failing to cough up the longed-for drug benefit.

Both of these bad bills still have some fearless opponents. The New York Times quotes Republican Sen. John McCain’s description of the energy bill as “leave no lobbyist behind” — and West Virginia’s Sen. Robert Byrd observed sarcastically that the bill would do as much to improve America’s energy security “as the administration’s invasion of Iraq has done to stem the tide of global terrorism.”

Sen. Edward Kennedy, D-Mass., has not wavered in his opposition to the Medicare bribe, and South Dakota Sen. Tom Daschle, the Senate Democratic leader, said the AARP leaders will live to regret their decision to support the bill. Daschle’s words are already proving true: AARP’s message board on its Web site, only hours after the announcement,

fairly bristled with messages that bore subject lines such as: “Traitor!” and “AARP betrays its members with sellout!”
Still, the mood seems to be leaning toward anticipated defeat. The filibuster talk has receded. Few, it seems, have the courage to stand up to this administration’s bullying. The rest of this week will show Americans what the Democrats in Congress are made of.

The Medicare deal

Democrat & Chronicle (Rochester, NY)
November 19, 2003

Congress apparently has a Medicare prescription drug bill — though passage in the Senate hangs by a partisan thread — that comes in time both for lawmakers’ vacations and for the run-up to the 2004 presidential campaign. That bit of timing should not be lost on anyone.

This is one piece of historic legislation that should be stamped “incomplete” and sent back to the policy-making factory.

The deal devises the most serious and costly alteration to Medicare in 40 years, and yet its motivating force is almost entirely political. This was an effort that should have started with the question: How can Congress begin to reform this bloated system, to take needless costs out, as an army of baby boomers approaches eligibility age, so that a $400 billion drug benefit might be considered?

It didn’t happen. The question wasn’t asked. The challenge remains. Medicare could be a leader in moderating health care costs across the board if reforms are instituted that fight duplication and waste and emphasize prevention. Congress had a chance this year to prepare Medicare for the day for which it is surely not prepared, when millions retired baby boomers begin demanding the services and care they paid for over their working lives.

They could be in for a rude surprise. And they will have reason to look back on this Congress — the one that had a chance to tackle Medicare head-on and didn’t — with disdain.

The drug bill is a cut-and-paste job, a dollop of something for everyone. The actual prescription benefit is limited because both parties know the cost is untenable. Republicans get the votes even a limited drug benefit will provide. Conservatives get what they wanted: more privatization. And minority Democrats get the political benefit of not having scuttled a bill popular with a major voting bloc.

Clearly, this isn’t about conviction or reform or care for seniors. It’s about political control, and to win it both sides are using Medicare. This is the right issue. But the wrong bill. A huge new Medicare benefit that arrives without substantive cost reform, as this one does, invites debacle.

Medicare drug plan's cost, benefits border on feverish

Atlanta Journal-Constitution
November 19, 2003

When Congress sat down to re-evaluate Medicare, the crying need was to help the helpless. More than a few elderly Americans with serious health problems cannot afford their expensive prescription drugs.

But instead of helping the truly needy, conservatives conspired with liberals to enact a classic campaign season giveaway --- a massive prescription drug benefit for all elderly citizens, something the country can ill afford. It is the largest expansion of an entitlement program in a generation.

It is also a cynical piece of work. To stay within a $400 billion framework over the next decade, Republican conferees could not take care of the needy and their friends at the same time, so they shortchanged the folks with no voices at the negotiating table. Jonathan Oberlander, a health insurance policy expert at the University of North Carolina, notes the ranks of the uninsured are rising, but he says this inadequate legislation substitutes "budgetary gimmickry" for meaning relief of the needy.

But the drug companies do get a substantial win. This plan pushes benefits more toward private insurance rather than government insurance, thereby limiting the power to force drug prices down.

At the same time, the legislation walls off most competition from overseas. Analysts predict this combination of factors will force up drug sales big time, perhaps by more than $3.6 billion in 2006.

Corporations were rewarded with tax incentives to maintain medical insurance plans. That came in response to threats by major industries to cut or limit insurance plans for retirees, supposedly in response to global competition with overseas companies with the luxury of government-sponsored health care.

Even with the $70 billion or more in subsidies, however, corporations may still find it cheaper to dump benefits for their retirees.

Getting this legislation passed cannot be taken for granted, fortunately, not even with the odd decision by the AARP to support it. As it happens, conservative doubts in the House, where members oppose expansion of entitlements, could prove the legislation's undoing. And on the Senate side, where Ted Kennedy and others think entitlements should be enshrined, there may be enough opposition to try to talk the legislation to death.

Let's hope so. Many economists doubt that the package can be held to the promised $400 billion cap, even with the gimmickry. Instead of a massive expansion of Medicare, Congress should find a better way to assist those elderly Americans who really need help.

Compromises undermine bill

Greenville News (SC)
November 16, 2003

In its final sprint to attain a liberal prescription drug benefit for seniors, the Republican-controlled Congress may discard several measures designed to restrain skyrocketing health-care costs. The resulting drug benefit would quickly exceed projected costs in the near future and prove unsustainable over the long term.

The drug plan proposed by federal lawmakers is far too broad, providing benefits even for wealthy seniors. At a time of war and record federal deficits, the nation cannot afford to subsidize drugs for the affluent.

Republicans earlier had discussed a "means test" that at least would require wealthier seniors to pay a higher premium for pharmaceuticals, but that provision may be compromised away in the rush to approve a drug plan.

A means test is a long-overdue reform, and it reflects a trend in the work force where more highly compensated employees pay more for health insurance.

Conservative lawmakers also wanted to allow private insurers to compete directly with traditional Medicare plans. That initiative could slow the program's growth. But in months of closed-door talks, the best Republican leaders could manage is a relatively small test program that would allow competition in four metropolitan areas and one additional region of the country where managed care already has 30 percent of its Medicare beneficiaries enrolled.

Lacking a means test and nationwide competition between private plans and traditional Medicare, the cost of the prescription drug benefit is likely to soar far above the already staggering price of $400 billion over 10 years. Such a tax-supported drug benefit cannot be justified when most American workers are seeing their own health insurance costs rise while benefits are curtailed.

Politics clearly is driving Republican compromises on the drug plan. President Bush and GOP congressional leaders are eager to deprive Democrats of a rallying issue by approving a drug benefit -- even if it means jettisoning many of the reform initiatives Republicans once favored.

Congressional conservatives initially had hoped not merely to expand Medicare but to reform the program to hold down costs. Those hopes have pretty much been dashed in the frenzy of compromises.

Some poorer seniors -- those who truly are forced to choose between food and medicine -- do need help in purchasing prescription drugs. But it would be preferable for Congress to emerge with no plan rather than one that does little or nothing to control the alarming increase in health-care costs.

Medicare drug plan a prescription for disaster

Houston Chronicle

By Richard E. Ralston
Nov. 19, 2003

At a cost of $400 billion over 10 years, congressional Republicans have agreed in conference committee -- with the enthusiastic encouragement of a Republican president -- to the greatest expansion of government in two generations. This new Medicare program can only result in what government-supplied health care has always produced in the United States and elsewhere: fewer new drugs and a lot more government. Of course, after a few years in practice, we all know the program will end up costing a lot more.

The stated reason for the plan is to provide Americans with medicines they could not otherwise afford. Republicans don't ask why drugs are out of the reach of so many customers. Nor do they ask how those who cannot afford their own drugs will now be able to pay through new premiums for everyone else's drugs.

Higher costs will be the result of enacting these prescription drug plans, based on the established track record of government involvement with health care. Medicare, which cost $3 billion a year in 1967, costs $250 billion today and, according to the Congressional Budget Office, will cost $474 billion a year by 2012 *without* any new prescription benefits. The idea that government involvement will reduce the cost of the development of anything as complicated and high-tech as life-saving drugs is ludicrous: The government cannot even control the cost of postage.

Rather than reduce the cost of drugs, like all government medical plans the new program will just add more of the poison that created the disease. Rigid controls and the vast bureaucracies of Medicare and the Food and Drug Administration already add billions of dollars to the cost of drugs. This, not the marketplace, is responsible for the high cost of drugs. New government programs and "benefits" will further explode drug costs and result in rationing, restrictions, regulations, less research and fewer drugs. Adding yet more bureaucracy to administer another program will just layer on more expense.

Fewer new drugs will become available as a consequence of these plans. When the government is "surprised" after the escalation in drug costs that result from a plan that promises to pay all of the bills, it will inevitably proceed to price controls and other new restrictions on drug companies

How do these Republican advocates of less government and free markets justify this huge new program? The woefully inadequate fig leaf they provide is the introduction of competition to Medicare from private insurance companies. However, such competition will be available temporarily in only six cities during a six-year test period beginning in 2010. What a triumph for capitalism! Yet, Sen. Edward Kennedy, D-Mass., says it will destroy Medicare. Yeah. Sure.

If the government really cares about the availability of medicine, it can start decreasing, rather than increasing, controls over the pharmaceutical industry. What the government really needs to expand is not government, but freedom: a free market that encourages drug companies to develop plenty of new drugs to compete with the old. Free markets would provide patients and physicians with better drugs at a more reasonable cost than the heavy hand of government.

Americans concerned about the cost of their drugs and their own health need to reject this crude attempt to bribe them with their own money.

Ralston is executive director of Americans for Free Choice in Medicine, based in Newport Beach, Calif

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Medicare pact leaves much to be desired

Daily Oklahoman (Oklahoma City, OK)
November 19, 2003

Compromise legislation creating prescription drug coverage under Medicare soon will get final consideration by Congress.

It's big, expensive -- $400 billion over 10 years, and does anyone really expect it to stay within budget? -- and it fails at needed reform in the federal health care program for America's seniors. So, yes, we've got concerns.

But any time we're potentially on the same side of an issue with Ted Kennedy, we reflexively take another look. When we do, we see the compromise reached by a House-Senate conference committee has a few redeeming points, which probably is why the liberal lion from Massachusetts is hinting at a Senate filibuster to stop it.

The bill fails to deliver fundamental Medicare reform, which was the main selling point for conservatives in the Republican- controlled House earlier this year. "Instead of enacting real reform at a date certain and in time to accommodate the retirement of the massive baby-boom generation, key congressional leaders are instead proposing a limited 'demonstration project' to test Medicare reform, confined to a few areas of the country," writes Robert E. Moffit of the conservative Heritage Foundation.

Perhaps Moffit is overly pessimistic. The plan manages to tiptoe toward reform with a compromise plan to experiment with head-to-head competition between Medicare and private plans in six selected metropolitan areas beginning in 2010.

That's not a lot of progress, and who knows when there'll be another chance to advance the issue? But it's a start.

Even passage of the compromise is no sure thing. Senate Democrats have grown fond of filibustering judicial nominations, so it wouldn't be surprising if they applied the same strategy to a legislative gem that would bolster President Bush's stock for the 2004 election.

With time short -- congressional leaders want to adjourn in the next week or so -- the clock has run out on Medicare for this session. The result is far from satisfying.

'Competition' won't save Medicare program

The Seattle Times
Thursday, November 20, 2003

There's really no point in getting excited over the conservative plot to kill off traditional fee-for-service Medicare. It's going to fall flat on its face, anyway.

We're talking about the grand scheme to pit private health plans against the government-run program. It was to be a centerpiece in the big Medicare drug bill. The privatization idea has since shrunk to a few pilot programs, starting in 2010. Better to have the pipe dream fail in selected cities than to drive everyone crazy.

I appreciate the conservatives' unease over fee-for-service Medicare. About 80 percent of Medicare's 40 million elderly and disabled beneficiaries choose this option. Once Grandma buys a Medigap policy — which covers expenses Medicare doesn't — she can visit doctors all day and never spend an extra penny of her own money. The government picks up most of the bill.

This setup is rough on taxpayers. Under current rules, Medicare spending will jump from $250 billion this year to $310 billion in 2006. Heaven knows what will happen when the giant baby-boom generation starts retiring in 2008. So any thoughtful policymaker would want to change the program to encourage more careful use of medical resources.

But rather than reform fee-for-service Medicare, conservatives are trying to poison it slowly. And they're so blinded by hostility to the government-run plan that they are offering alternatives that will cost more, not less, money.

Well, what's wrong with competition? When it comes to Medicare, most everything. Fee-for-service Medicare puts millions of people in the same giant insurance pool. Some enrollees use a lot of medicine. Others use very little. The healthy subsidize the sick. That's how health insurance is supposed to work.

A sneaky but effective way to destabilize this arrangement is to drain the pool of healthy participants. How can that be done? By subsidizing private health plans to attract the profitable beneficiaries.

Under the pilot program, each participant would receive a voucher to buy insurance from a private plan or from the government-run program. People who chose a cheaper private plan could get money back. That makes it a good deal for those who rarely see doctors.

The joke of it all is that while the private health insurers may hurt traditional Medicare, they won't save the taxpayers money. Consider the sorry history of Medicare HMOs: Private health plans were to lure beneficiaries into managed care with promises of drug coverage and other new benefits. Congress cut payments to the private insurers in 1997, and they abandoned the program in droves. Or they slashed benefits.

The Medicare bill will now sweeten the deal for private health plans — offering payments in line with those under the fee-for-service program. People in traditional Medicare, meanwhile, are protected against big hikes in their premiums. So where are the savings going to come from?

Many conservatives retain a touching faith in the private sector's ability to do the job more efficiently than government — but they never explain how. Medicare spends less than 2 percent of its outlays on administration. It has no marketing expenses. It doesn't pay dividends to shareholders or turn its executives into tycoons. Private health plans, by contrast, spend 20 percent or more on administration costs.

Today, private insurers generally pay doctors and hospitals higher fees than does traditional Medicare. After all, they lack the government's size and bargaining power.

One suspects that many conservatives don't really care how the chips fall — as long as they're heavy enough to break the back of traditional Medicare. The gold nugget in the ruins would be a voucher system, whereby every Medicare beneficiary received a check for X amount. Elderly Americans would use the money to buy insurance. Anyone who needed more care than the voucher bought would have to find funds elsewhere or go without.

The main goal, then, is to limit the taxpayer's responsibility for the senior citizen's medical problems. And the real issue is how much medical care our society is willing to pay for, rather than who will write the checks to the doctor.

If conservatives want to reduce the taxpayer's exposure to rising Medicare costs, let them say that. It's a fair argument. But all this talk about "choice" and "updating" or "modernizing" Medicare with "marketplace competition" is pure malarkey.

Reject Medicare legislation

The Star-Ledger (NJ)
November 18, 2003

If profit-making insurance companies are so much better and cheaper than the federal Medicare program, why do we have to give them $12 billion to help them prove it?

That subsidy is built into the Medicare compromise plan heading for Congress, and it is but one of several excellent reasons the plan should be rejected.

After handing the industry a $12 billion gift from the taxpayers, the bill sets up a fixed competition between Medicare and private managed care. They would go head to head in a half-dozen communities. Once the games begin, private companies could sign up younger, healthier, cheaper-to-treat seniors and reject the rest. It does not take a genius to predict the result.

If Medicare, which must take all comers, is left with sicker, more expensive seniors, Medicare will fail. That will give conservatives a chance to scuttle one of the most successful public programs of all time and replace it with private companies. If we end up with a dead Medicare program and taxpayer-subsidized private profits, where is the victory?

The insurance industry already can sign up seniors under another Medicare option. But it has never managed to attract more than a small percentage of Medicare recipients. Year by year, it has reduced benefits and dropped hundreds of thousands of policyholders. The companies say the Medicare population costs too much to treat and that government payments are too stingy.

Liberal Democrats like Sen. Edward Kennedy staunchly oppose the new plan. Sen. Olympia Snowe of Maine, a reasonable Republican, is also raising concerns. Pennsylvania Republican Sen. Arlen Specter told Congress to keep its competition out of his back yard. He and several other Republicans fear the Medicare-private duel would drive up out-of-pocket costs for constituents who choose to stay in regular Medicare.

Congressional conservatives, having created a woefully unlevel playing field for Medicare, want a nationwide competition and are unhappy with the idea of a few demonstration projects. If we are lucky, they will be obstinate enough to help kill this bill.

Attempts to pass a Medicare drug bill have faltered for so long that some groups think it is best to approve a flawed version now and improve the law later. Lawmakers who vote no could be in political jeopardy because their reasoned explanations will be drowned out by attack ads charging, "He killed the drug bill!"

"It was a lousy bill" would be a good response. The bill would provide generous coverage for people making less than $12,123 a year -- but only if they have $6,000 or less in assets, an unrealistically low figure. Coverage is expected to cost $35 a month but would not kick in until after a person spends $275 on drugs. Once a person's costs reach $2,200, coverage would stop and would not resume until he has spent $3,600 from his own pocket.

The bill would provide billions more in premium supports for employers so they would continue any prescription coverage they offer. Keeping employers in the game is essential, although money spent to do that simply continues the status quo. It does not expand prescription coverage to those who have none.

But this stopped being about drug coverage a long time ago. The public demand for a Medicare drug benefit has been twisted into an opportunity to push the ideology of privatization at massive public expense.

Some cure

Cleveland Plain-Dealer
November 20, 2003

Right down to the wire, backers of a bill to add a prescription drug benefit to Medicare are giving Americans the hard-sell, presumably because they know Americans shouldn't be nearly as comfortable with this plan as the politicians are.

"This bipartisan agreement is the most significant improvement in senior health care coverage in nearly 40 years," House Speaker Dennis Hastert told the Christian Science Monitor for a story that appeared Saturday. And he's right: It has been a pretty slow 38 years, reform-wise, since the establishment of Medicare.

But President George W. Bush, in a statement issued the same day, took a slightly different line: "This bipartisan agreement is the most significant improvement in senior health care coverage in nearly 40 years." No, wait, that's exactly the same line, isn't it? So that's the Republicans' story and they're sticking to it - verbatim. Bush has a White House to hang on to in 2004, and if Congress is willing to save his hide while saving it's own, he's not going to stand in the way.

Senate Democrat John Breaux of Louisiana, meanwhile, offered this to the New York Times over the weekend: "The only thing that can prevent this from being passed is unnecessary political partisanship." Isn't that the way? Americans have griped about partisanship to the point that, now that we could really use it, it's off sulking in Ted Kennedy's office.

But the most revealing words came from Montana Democratic Sen. Max Baucus, who told the Times, "I understand some Democrats have reservations. Some Republicans have reservations. . . . We should not nit-pick, we should not find fault, we should take it as a whole." He didn't add, "and run," but he could have.

Actually, some nit-picking would be in order, because there is plenty of fault to find. This country is about to be sold a pig in a poke. And as pigs are wont to do, this one is going to overeat. Undeniably, many low-income, elderly people - who very legitimately need more help with their prescription expenses - stand to benefit in the short-term. But those gains would be far outweighed by the long-term costs to the federal budget, the taxpayers and successive generations of Medicare recipients.

Congress is going about this wrong, driven not by the politics of partisanship but by the politics of fear. Simply put, Congress wants to look busy while avoiding the work that really needs to be done.

Really reforming Medicare to bring it in line with the realities of modern patients and modern medicine would be difficult, and many politicians fear that even opening a serious discussion about a true overhaul would bring the wrath of elderly voters down on them. Even if they're right, that's no excuse.

A nation whose program for providing care for the elderly needs major reconstructive surgery instead is being handed a Band-Aid - a very expensive, politically expedient Band-Aid. Perhaps a Congress with more courage will someday get down to doing the job right, but we're going to waste an awful lot of money first.

Meddling with Medicare

Toledo Blade (Toledo, OH)
November 19, 2003

A so-called congressional "coalition of the willing" put on quite a dog-and-pony show that appears to offer senior citizens a $400 billion prescription-drug program starting in 2006. Both members of Congress and their constituents should give the mouth of this gift horse a pretty thorough examination before celebrating.

Although two Democratic senators, Max Baucus of Montana and John Breaux of Louisiana, were present at the news conference unveiling the drug plan, it is apparent that most Democrats and probably a lot of Republicans, too, were excluded from the key deliberations.

Congressional decision-making by closed-door conference committees has become the favored method of legislating by GOP lawmakers. It is worse because the doors of the meeting room are barred to the minority party whenever the majority chooses to do so. It is one of the gifts of this "compassionate conservative" administration to the American political process.

So, what are voters likely to get in this package that will be pushed hard by the GOP as a means of taking the issue of prescription drugs off the campaign agenda for 2004? If President William McKinley and his money-man, Mark Hanna, were still alive, they would understand perfectly the bait-and-switch scheme which is under way on Capitol Hill.

As envisioned by the plan unveiled with so much fanfare, seniors could, beginning in 2006, get a plan that requires them to pay 25 per cent of drug costs up to $2,200 a year, with a $275 deductible for prescription drugs and a monthly premium that would average $35 - a total cost of more than $1,000. Once drug costs reached a $3,600 threshold, 95 per cent of costs would be covered.

Most current drug-prescription plans are not anywhere near as draconian as that, but they might eventually become so if this plan is adopted. The underlying message is don’t get old and, if you do, don’t get sick. There are special provisions for low-income persons, and those earning more than $80,000 a year would pay more.

This is a plan billed as "not perfect," but one which, in Rep. Billy Tauzin’s words, is "a generational decision to spend $400 billion to keep mama and daddy alive" - at least as long as they have $1,000 or more to spend on drugs each year.

Better than nothing? Well, only in the sense that something, no matter how parsimonious, is better than nothing. Seniors are assured that they don’t have to sign up for this plan if their own is a better one. But if it is passed, it will be interesting to watch how fast private plans are pared back to the government level.

A poison pill also is included in this plan that has nothing to do with drugs. It would set up a six-year comparison study of traditional Medicare and private health plans in six areas of the country to see which one was more efficient. With subsidies proposed to encourage seniors to enter the new program, it is plain to see that the real purpose of the bill is to change the way Medicare, a reasonably efficient program, is funded, turning it over to insurance companies. How will "mama and daddy" like those apples?

Not surprisingly, pharmaceutical companies, insurance firms, and HMOs have signed on to the program. GOP lawmakers have never met a corporate lobbyist they couldn't do business with. Seniors, who are expected to spend $1.8 trillion on drugs in the next decade at costs that are among the highest in the world, should hang on to their wallets tightly even as they burn up the wires to congressmen in Washington.

There may be some innovation here, but the shape of this bill is ominously clear. Its passage in its present form - a race to be at the bottom of the developed world in health benefits - is too high a price to pay for getting George Bush off the hook on the prescription-drug issue in the 2004 election.

Wrong Prescription

The Arizona Republic
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When senior citizens have to skip medications or cut pills in half to save money, we know that there's a desperate need to add a prescription drug benefit to Medicare. Unfortunately, the massive bill before Congress just isn't the right medicine. The bill, which runs more than 1,000 pages, is staggeringly complex and, last we knew, was still being amended to attract votes. It carries a big price tag - $400 billion over 10 years - yet offers mediocre benefits to many people.

The complicated formula for benefits is enough to make a person reach for tranquilizers. For monthly premiums of $35, a senior's share of prescription drug costs would be a $275 deductible, 25 percent co-pay up to $2,200, then the full cost until he or she had paid $3,600 out-of-pocket, with a 5 percent co-pay for expenses above that point. There's a sliding scale for seniors near poverty level, who would have most of their costs covered. Got it?

The reason it's so convoluted is to rein in costs. But that dilutes the benefit. Health and Human Services Secretary Tommy Thompson says someone who currently lacks drug benefits and pays $400 a month would save 50 percent (that assumes large discounts for drugs bought through the plan; other calculations put the savings at 30 percent).

The bill goes beyond drugs to attempt an overhaul of Medicare, but the approach is such a jury-rigged contraption that it has managed to draw barrages from both liberals and conservatives. Political realities may make it difficult, but we would be better off tackling Medicare reform and prescription drug coverage separately. We also need to look at strategies for dealing with the runaway costs of prescription drugs, including authorizing purchases from Canada (Supporters resisted adding that to the bill but could relent to gain votes).

This proposal has many pluses, such as offering physicals to individuals starting Medicare and reimbursing hospitals and doctors for some of the costs of treating undocumented workers. But the minuses outweigh them. Supporters of the bill, including AARP, argue that it may not be perfect, but it's better than nothing. We aren't arguing for perfection, but Congress should come closer.
