



GOP Attempts to Use Inadequate Prescription Drug Benefit to Privatize Medicare

Republicans have always been hostile to Medicare. They fought its creation 38 years ago and have made no secret of their disdain for the program ever since. Don't believe that? Just read the comments by Republicans below.

Today, Republicans are proposing legislation that, on one hand, would offer an inadequate prescription drug benefit while, on the other hand, attempting to undermine Medicare itself by forcing seniors out of traditional Medicare and into the arms of private insurers. The Republican plan is a Trojan Horse: Cloaked behind innocuous terms like "premium support," it fails to provide seniors with a guaranteed, defined drug benefit, and could force seniors to pay more than they do now or even leave them with no coverage at all.

Democrats, who fought to create Medicare in 1965, will continue to fight for a prescription drug benefit under Medicare that is affordable, universal, guaranteed and voluntary. Our plan will not weaken Medicare; it will build on its track record of success.

GOP'S PLAN FOR MEDICARE: *Let It "Wither on the Vine"*

- **In 1995, former House Majority Leader Dick Armey said he "deeply resents the fact that when I'm 65, I must enroll in Medicare."** [Chicago Tribune, 7/11/95]
- **Former Majority Leader Armey also called Medicare "a program that I would have no part of in a free world."** [Chicago Tribune, 7/11/95]
- **"Now, we didn't get rid of it in round one because we don't think that that's politically smart and we don't think that's the right way to go through a transition. But we believe it's going to wither on the wine because we think people are going to voluntarily leave it [Medicare]."** Former House Speaker Newt Gingrich [AP, 10/24/95]
- **"I was there fighting the fight, one of 12 voting against Medicare in 1965 because we knew it wouldn't work."** Former Senator Bob Dole [American Conservative Union, 11/11/95]
- **"To those who say that [the bill] would end Medicare as we know it, our answer is: We certainly hope so."** Rep. Bill Thomas [MSNBC, 6/25/03]
- **"I believe the standard benefit, the traditional Medicare program, has to be phased out."** Sen. Rick Santorum [New York Times, 5/21/03]

Seniors' Groups, Even Some Republicans, Balk at Latest Privatization Plan

- **"We cannot accept an untested premium support program – one that could potentially impact the quality of health care for millions of seniors and effectively undercuts the traditional Medicare program."** Senator Olympia Snowe (R-ME) (Press Release, 11/13/03)
- **"I ... strongly protest the possible use of my constituents as a testing ground for premium support."** Sen. Arlen Specter (R-PA) [ABC News, 11/17/03]
- **"Though some may consider this a demonstration project, we disagree. This appears to be a veiled attempt to institute this policy into law. According to CMS data this proposal could capture up to 10 million seniors, 25 percent of Medicare beneficiaries. Further, it will require them to bear the burden of cost increases associated with the demonstration project. This policy unfairly targets some seniors simply based on their geographic location and mandates their participation. The likely result will be significant increases in traditional Medicare premiums for seniors living in the affected areas and could destabilize the Medicare program for all seniors."** – Letter sent by 36 Democratic, 7 Republican (Senators Snowe, Collins, McCain, Specter, Allard, Campbell, Chafee), and one independent (Sen. Jim Jeffords) warning against private-competition provisions that could raise premiums for the elderly. [CQ, 11/14/03]
- **"[This agreement] does too much to destroy Medicare and too little to help the seniors who can least afford their medicines. It can still, and should be, changed."** Ron Pollack, executive director, Families USA [LA Times, 11/17/03]
- **"Those people, if they do not have low-income protections, will end up getting very small benefits overall – about 30 percent of their drug costs are covered, not counting the premium. So I think there will be a very narrow band of people who can say unequivocally that this is a really good deal."** Marilyn Moon, American Institute for Research [Washington Post, 11/17/03]
- **"This is a bad deal for America's seniors. If presented in its present form, Congress should reject it."** John Sweeney, AFL-CIO president [CQ, 11/17/03]

Private Insurance May Not Develop or May Be More Expensive

- **"I am very skeptical that 'drug only' private plans would develop."** Bill Gradison, former Republican Congressman; former president of the Health Insurance Association of America [New York Times, 6/15/02]
- **"I don't think it's impossible but the odds are against it."** Richard A. Barasch, chairman of Universal American Financial Corporation, which sells Medigap coverage to 400,000 people, on whether private insurers would participate in the GOP drug plan [New York Times, 6/15/02]
- **"In most areas of the country payment rates for hospitals and physicians that are negotiated by private plans are higher than those paid by the Medicare fee-for-service program."** Medicare Payment Advisory Commission [New York Times, 5/6/03]
- **"This [Medicare proposal] is a sure-fire way for seniors to get less health care... Medicare was enacted because for-profit insurers cannot make money insuring older sicker people."** Robert Hayes, president of the nonprofit Medicare Rights Center [Reuters, 1/29/03]
- **"There is no reason to believe that greater reliance on private plans will actually reduce expenditures or put the program on a sounder financial footing."** Robert Berenson, former director of Medicare's private plan program under Pres. Clinton [CongressDaily, 4/8/03]