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Delegation differs over Medicare plan

● Sens. Susan Collins and Olympia Snowe praise a Senate drug plan, but Rep. Tom Allen has concerns about the House version.

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WASHINGTON — Congress plunged Tuesday into a debate over whether to provide prescription drugs to the elderly and disabled through Medicare, with Maine lawmakers taking prominent positions.

Sen. Olympia Snowe, R-Maine, said Congress is on the brink of approving a landmark expansion of the 1965 program with equitable benefits and costs for all and with added help for the poor. An estimated 90,000 of the 215,000 Mainers who receive Medicare will qualify for low-income subsidies.

"This bill will be one of the most important we pass this decade and beyond," said Snowe, a member of the Finance Committee that drafted the version now on the Senate floor.

Sen. Susan Collins, R-Maine, said she

was pleased the legislation would raise Medicare payments to home health-care providers and prevent future cuts.

"It is critical that all seniors and people with disabilities who receive Medicare finally have affordable, comprehensive drug coverage," Collins said. The Senate is expected to vote on its proposal next week.

But Rep. Tom Allen, D-Maine, argued that the House Republican plan aims to gut traditional Medicare by encouraging private insurers to lure away healthy patients and leaving the sickest in government care.

"If there is extensive cherry-picking, Medicare may be left with just the very sickest people and you'll wind up with a very costly plan," said Allen, who serves on the Energy and Commerce Committee considering the bill jointly with the Ways and Means Committee.

The House and Senate are each

expected to approve legislation by July 4. The question is whether they can negotiate a compromise President Bush will sign.

Both House and Senate versions would create a drug benefit in 2006 with premiums estimated at \$35 per month. The House has an annual deductible of \$250 and the Senate \$275. The House would cover 80 percent of drug costs and the Senate 50 percent.

Both plans have gaps in coverage, the House from \$2,000 to \$5,100 per year and the Senate from \$4,500 to \$5,800. After that, the government would cover 100 percent of drug costs in the House plan and 90 percent in the Senate proposal.

Criticism has focused on the gaps in coverage and how the benefit will be provided by private insurers. The Senate calls for the government to provide the benefit whenever at least two private insurers fail to step forward, as already happens in Maine with Medicare+Choice. The House calls for subsidies to private insurers until at least two compete everywhere.

Both chambers would offer a discount card to seniors in 2004 and 2005, which is expected to save about 15 percent to 25 percent on prescriptions.

Allen plans to offer an amendment today in committee, with similar proposals expected in the Senate, to require the discount of about 40 percent that is common in other industrialized countries. But his proposal is opposed by drug makers, who argue it would discourage research.

Allen has bipartisan support for an amendment to spend \$75 million on two studies comparing the costs and effectiveness of different medications.

The Republican drug benefit plan would subsidize insurers to provide drug coverage in areas where it doesn't exist now, such as Maine. Then in 2010, private companies would compete fully with Medicare, so that prices and benefits could differ around the country.

Democrats criticized the Republican proposal as moving toward privatizing Medicare and have advanced their own \$750 billion drug proposal.