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House Panel Approves Medicare Measure

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The House yesterday plunged into partisan warfare over legislation to revamp Medicare and include a prescription drug benefit, presenting a sharp contrast to the bipartisan approach of the Senate as it prepares for initial votes today on its version of the bill.

The House Ways and Means, Committee working into the night, approved its Medicare bill with a 25 to 15 vote, with Republicans and Democrats arguing over whether it would strengthen the program by expanding the role of private health plans or invite Medicare's eventual collapse.

"What does the Republican bill do? It turns Medicare over to the HMOs," or health maintenance organizations, said House Minority Leader Nancy Pelosi (D-Calif.). "It turns Medicare into a voucher program."

The GOP bill will set off a "time bomb" that will "end Medicare as we know it" by tilting the financing of health care toward the private sector, said Rep. Charles B. Rangel (N.Y.), the ranking Democrat on the Ways and Means Committee.

Republicans fired back. The bill takes advantage of medical advances and would "deliver higher quality care to seniors," committee member Nancy L. Johnson (R-Conn.) said.

"Democrats have no credibility on this," said House Majority Leader Tom DeLay (R-Tex.). "What's their plan? All they do is try to scare seniors, and that hasn't worked for the past 8 1/2 years."

As the Ways and Means meeting started, protesters briefly interrupted, shouting, "We're blowing the whistle. Don't privatize Medicare." Committee Chairman Bill Thomas (R-Calif.) called the criticism "totally unfounded."

In the Senate, Democrats planned to offer amendments that would expand the proposed drug benefit and shore up the government's role in Medicare. But many Democrats, including Sen. Edward M. Kennedy (D-Mass.), continued to praise the bipartisan plan approved last week by the Finance Committee as a welcome first step, despite some flaws.

Kennedy defended the Senate bill against some critics' claim that both bills would encourage privatization of Medicare. "In fact, if you think Medicare should be privatized, then you should oppose this bill," he said.

While the House bill appeared headed for a largely partisan outcome, Senate Finance Committee member Jim Bunning (R-Ky.) predicted that 70 to 80 senators will vote for the bipartisan bill next week. Two Democratic aides said the measure could get as many as 85 votes in the narrowly divided, 100-member chamber.

The House and Senate bills overlap in some respects. Both would provide a bigger role for private health plans, as well as a drug benefit under the traditional Medicare program and the proposed private plans.

But the House measure would provide greater incentives for Americans 65 and older to switch to private plans, and it includes a "means test" under which wealthier recipients would pay more.

Especially controversial for many Democrats is a House provision requiring competition beginning in 2010 between Medicare's traditional fee-for-service system and private plans, with premiums rising for Medicare patients if private plans proved to be cheaper. Democrats fear this would gradually price Medicare out of the market.

Democrats played a key role in drafting the Senate plan, while the House plan was developed exclusively by Republicans. The measures eventually will have to be reconciled and signed by President Bush to become law.

Both the House and Senate measures drew sharp criticism yesterday from Consumers Union. It said the proposed drug benefit was so modest that most seniors would still pay more for medicine than they do now. "The combination of skimpy benefits and historically high growth of prescription drug expenditures mean that most consumers without prescription drug coverage in 2003 would be worse off in 2007" because of higher out-of-pocket costs, it said.

The average Medicare beneficiary, who now spends \$2,318 for prescription medicine, would in four years pay \$2,954 under the House bill and \$2,524 under the Senate plan, it said.

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