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So what Medicare reform did Congress pass?

A new television commercial from the federal government shows soothing images of seniors being reassured that the Medicare reform they saw Congress perform last fall didn't do what it looked like it did. The announcer says, "It's the same Medicare you've always counted on, plus more benefits like prescription drug coverage."

A senior in the ad asks, "Can I keep my Medicare just how it is?" Yes, says the announcer, reassuring the nervous senior that it will be "your same Medicare coverage." Another senior (the ad script's direction demands seniors "looking satisfied with the answers they have been given.") says, "So, my Medicare isn't different, it's just more?"

"Yes," says the announcer again, who could have added, "In fact, it's \$135 billion more than we told you it would be." The comforting commercial is necessary not just because some people dislike the reform so much they've stretched the truth about it but because its supporters have not. Last spring, for instance, House Ways and Means Chairman Bill Thomas, R-Calif., described the reform thusly: "To those who say that [the bill] would end Medicare as we know it, our answer is: We certainly hope so."

This makes Democratic Maine Rep.

Tom Allen seethe. Sitting in his office in Washington, he runs through a list of shortcomings in the reform that make it both less effective and more expensive than it should have been, but at its core, he says, "the structure of the bill itself is not workable and would not be fair if it were workable. ... There isn't a senior in Maine who says they want to give up their choice of doctors for a choice of insurance companies."

The combination of Social Security and Medicare has been the greatest one-two punch against poverty the government has ever devised. But Medicare largely did not include coverage of prescription drugs, which over the decades have become a more effective (and more expensive) deliverer of medical treatment. The price of reform from those suspicious of the government running anything was that private insurers could also offer Medicare and get federal subsidies to do it. This sounds like a simple change but it isn't because, at the very least, insurers can stay in business only by taking in more money through premiums than they pay out for care, which forces them to make decisions about what they offer, where it is offered and under what conditions. As Rep. Allen notes, "Once you decide to privatize, you end up with a horrendously complex system."

The Senate already has bipartisan legislation to start undoing some of the damage from the Medicare reform, but it won't become law without the support of the House, which likely means it

won't become law. Recall that last November the House passed the Medicare reform only after Speaker Dennis Hastert kept the usual 15-minute voting period open for nearly three hours to cajole a majority into his support column. He will not want to endure this process again, especially when conservative members of his caucus didn't want to pay the initial estimated cost of \$395 billion for the reform. Imagine the strange bedfellows he would find in his House now that the reform price is expected to be \$530 billion.

Whether privatizing brings efficiencies as insurance companies compete for business or whether it adds an expensive layer of bureaucracy will be seen shortly after 2006, when the real changes to Medicare begin. (There's a drug card available before that, maybe sometime this spring.) Meanwhile, and in defiance of the odds of a happy outcome, Rep. Allen is sponsoring or co-sponsoring bills that would provide reduced priced drugs to seniors, examine the comparative effectiveness of drugs, allow states to negotiate drug prices and, most recently through HR 3662, give to the federal government the ability to negotiate Medicare drug prices, which the reform prevents. Looking at that last bill on the other side of the Capitol, Sen. Susan Collins concurs with at least part of it. "The whole idea of an insurance system is to use buying power to bargain," she said. So what reform did Congress just pass?

"In three to ten years, there will be

controls — price controls, cost controls, something to hold down costs," Rep. Allen said, "because otherwise the system itself will break apart and we may not be able to put it back together, which of course is what some people want."

Rep. Allen didn't begin his career in Congress with health care on his mind — education costs and the environment were big themes for him in 1996, as was defeating Newt Gingrich's Contract with America crowd. But candidate Allen had a volunteer named Leon Currier who told him that on top of his already crushing prescription-drug bill he had just been told by his doctor he needed to take another pill that would cost him \$100 a month.

He wasn't going to fill that prescription, he said, because he couldn't afford it. Mr. Currier died a couple of years ago but before he did, he sent Rep. Allen a card with a picture of a child struggling with a large box on the front. He wrote, "The boy carrying the big package on this card reminded me of the big job you have getting price relief on drugs for the elderly and sick. Please don't give up. Continue your efforts of doing what is right."

The card sits framed on the congressman's desk and is about as much incentive as anyone would need to keep fighting for lower drug costs no matter how unreceptive House leadership is to the idea.

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