

## New Medicare law deeply flawed

● Confusing, expensive and a step toward eliminating government benefits for the elderly, this bill needs revision.

**I**t plays into a stereotype about older Americans to suggest they don't want choice or change when it comes to their health care.

Taken to its extreme, this ugly image has seniors baffled when confronted with options in Medicare: Grandma will only get confused. Keep it simple. Well, that's not fair. As our health care system grows more complex because of evolving technology, it's reasonable to build some flexibility into the Medicare law.

But the Medicare prescription drug benefit passed by Congress last year is beyond flexible. It's beyond confusing.

It's not that this thing is too complex for seniors. It's too complex for Earthlings. It must have been written by someone from the Vulcan home world.

Its utter incomprehensibility is the most striking flaw of last year's Medicare legislation, but certainly not the only one. It has huge gaps in coverage. And this thing is going to be very expensive for taxpayers, and to a large degree, unnecessarily so.

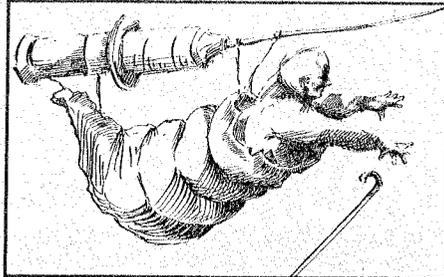
**LAST WEEK, U.S. REP. Tom Allen, the Portland Democrat, brought Ron Pollack, executive director of Families USA, to Maine to talk about the Medicare law. Pollack's organization is a Washington advocacy group that focuses on health care.**

Pollack is not a big fan of this new Medicare drug benefit, which was passed with the backing of the Republican leadership in Congress and signed by President Bush. And he's got a pretty easy job in making his case that this thing isn't going to work well.

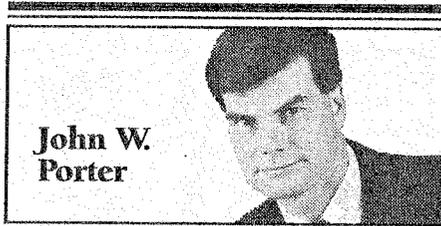
In fact, all he has to do is just try to explain it. Pretty soon the eyes glaze over and the listener gets lost in the many details.

One of problems with this law is that it was crafted to please a group of conservative lawmakers who are obsessed with getting the government out of the business of providing benefits to the poor and middle class. As a first step, these conservatives want private industry, not government, to administer Medicare. From there it's a short trip to having more and more of the cost paid by individuals, eventually getting the government out of the business of buying health care for older Americans.

The drug benefit, then, is to be managed by private insurers, and they'll have some leeway in terms of the benefit structure.



Art by Geoffrey Moss



John W. Porter

### Editorial Page Editor

The plan does outline a "standard" drug benefit, however, and that's where things go from complex to goofy.

OK, try to stay with me here. To start, seniors signing up for the program — which takes full effect in 2006 — will pay a \$35 a month premium. There's also a deductible, so people in the program will pay all the costs of the first \$250 in drugs that they buy. The plan then picks up 75 percent of the cost of the participants' drugs.

Now, here's where it gets goofy. After a participant uses \$2,250 worth of drugs — roughly the current average annual drug bill for a person on Medicare — the benefit stops completely. That's right, you're right back to paying 100 percent of drug costs out of your own pocket. Then, once you've used \$5,100 worth of drugs, the plan pays 95 percent of the costs after that.

You follow that?

But wait, there's more. If you're a senior earning below 135 percent of the federal poverty line (\$9,310 a year for an individual; \$12,490 for a couple), then you might be eligible for pretty good coverage. Prescriptions under this plan will cost \$1 for generics and \$3 for brand-name drugs. (Those copayments will rise a bit after 2006.) After consuming \$5,100 in drugs, they're free under this program for people with low and moderate incomes.

Here's another tricky part: Some states, including Maine, allow some of these same low- and moderate-income seniors to use the Medicaid program. Trouble is, no one's really sure how the two programs will work together, or whether they can be used in

concert.

What can make Medicare drug plans even more confusing is that the private drug insurance companies will all have different schedules of the medicines they cover in each class, depending on what kind of deals they can cut with drug makers. So seniors are going to have to research carefully to see if the drugs they use are even covered when they sign up for a particular plan.

**ALL THIS COMPLEXITY** makes it nearly impossible to predict how much this plan will end up costing taxpayers, but one thing's for sure: They'll be paying more than they have to.

That's because the law forbids the government to use its buying power to negotiate discounts with the drug makers.

Also, to please conservatives, the plan pays extra money to private insurance companies that get involved in administering traditional Medicare coverage. Previous efforts to get private industry to participate in Medicare have failed because the private companies can't always make a profit when forced to get by on the money spent on traditional, government-run Medicare.

This bill sets government-run Medicare up for future dismantling, though, by creating a pilot project where traditional Medicare will have to compete with plans run by private industry. It's a set up because all the sickest people will likely be covered by the government in these pilot programs.

That'll create the appearance that government administration of Medicare is more expensive. That in turn will build the argument to kill traditional Medicare and eventually get the government out of the business of providing health insurance to the elderly.

Of course, the Medicare prescription drug law can reasonably be seen as a beginning. Even Pollack says that it's likely that over time it will evolve and become a better, more affordable program.

This year, however, the White House has sent word that the prescription drug issue is not to come back up for debate in Congress. That's because such a debate would reveal the plan's many flaws during an election year. If efforts to amend the plan failed, Bush's claim to have done something meaningful about drugs for seniors would be greatly diminished.

However, while there's much to be confused about with respect to this plan, one thing should be clear: It stinks.

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