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The Battle Over Drug Coverage

The struggle over prescription drug coverage for the elderly is heading toward a showdown in the Senate today with no likelihood that either of two major bills will gather enough support to pass. A failure to act this session would be a blow to the Democrats, who desperately need to pass something to show that the chamber they control can do as well as or better than the Republican-controlled House, which passed a weak prescription drug bill last month. More important, it would be a blow to millions of elderly people who lack insurance coverage for their costly medicines.

The best of the Senate bills is the one sponsored by Senators Bob Graham, Edward Kennedy and Zell Miller and endorsed by the Democratic leadership. It provides the most complete coverage at the lowest cost to the beneficiaries. They would pay a premium of $25 a month, a co-payment of only $10 for each generic drug and $40 for each preferred brand-name drug, and no deductible, with an out-of-pocket maximum of $4,000. The bill's chief drawback is that it would be the most expensive for the government, costing some $421 billion over the first six years. Republicans charge that the nation cannot afford it.

If that is true, it's because of the huge tax cuts for the well-to-do that the Bush administration pushed through an acquiescent Congress last year. There seems little doubt that, if forced to choose, the public would prefer generous drug coverage rather than the tax cuts. One of the hidden virtues of the Democratic bill is that it would allow that choice to be confronted eight years from now.

That is because both the tax cuts and the proposed drug coverage would expire at the same time. When the Bush tax cuts were approved by Congress, they were engineered to expire at the end of 2010, a year chosen to hide the alarming way the price tag balloons after that. Similarly, the Democrats' prescription drug bill is scheduled to expire at the end of 2010, before the aging baby boomers drive its costs sharply upward. Neither the senators who backed the Republican tax cuts nor those who want the Democrats' prescription drug package really believe that these programs will die once started. But a stark choice in 2010 might force Congress to choose between a drug program that covers the fastest growing part of the health budget and a tax cut that goes primarily to the wealthy.

That is a choice that some Democrats, including one of the bill's key sponsors, Senator Miller, lacked the backbone to make. They gave the Republicans the critical support needed to push the irresponsible (but politically popular) tax cut through, and now they are championing an enormously expensive (but

politically popular) prescription drug bill. When they tell their constituents they are fiscal conservatives, the constituents should show them the math.

The competing Senate bill, supported by many Republicans, would cost $330 billion over eight years for drug coverage, well below the $594 billion cost of the Democratic plan over that same period, but would provide only spotty benefits. The beneficiary would pay a premium of $24 a month, a $250 deductible and huge co-payments — half the cost of drugs up to $3,450, the entire cost beyond that up to $5,300, and 10 percent of everything beyond that.

If both bills fail to pass, as seems likely, bargaining on a compromise will intensify. The most important short-term priority should be the needs of the fairly narrow, and politically uninfluential, band of Americans who have very low incomes and very high drug bills. Voters who remember the promises made in the 2000 campaigns have a right to expect a more universal prescription drug program. The senators who don't want to provide it will have to explain that it was impossible because they blew all the money on tax cuts for the rich.

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