

May 2, 2002

Drug Plans for Elderly Are Unveiled by 2 Parties

By ROBERT PEAR

WASHINGTON, May 1 — An election-year battle over prescription drugs began in earnest today as House Republicans and Senate Democrats rolled out competing proposals to provide Medicare drug benefits to the elderly.

On the steps of the Capitol, Speaker J. Dennis Hastert of Illinois said the House would approve a Republican plan by May 24, leaving plenty of time for the Senate to take up the legislation this year.

At the same time, inside the Capitol, the Democratic leaders of the Senate and the House denounced the House Republican approach, saying it was inadequate and unworkable.

An hour later, two Democratic senators, Bob Graham of Florida and Zell Miller of Georgia, unveiled a proposal that would be more generous to Medicare beneficiaries and more costly to the government.

The two sides are at odds over the cost and the design of prescription drug coverage, which is expected to be a volatile issue in this fall's elections. Democrats say they hope to regain control of the House and pick up seats in the Senate by emphasizing the issue. In recent years, polls have shown that voters tend to favor the Democratic approach.

In criticizing the Republican proposal today, Senator Edward M. Kennedy of Massachusetts sounded themes sure to be echoed in Democratic campaign commercials this fall. "Republicans put a higher priority on tax breaks for the wealthy than on prescription drugs for the elderly," Mr. Kennedy said. "Seniors may be better off purchasing a bus ticket to Canada than relying on this Republican proposal."

Republicans insist that they want to expand Medicare, the health insurance program for the elderly and the disabled, to cover prescription drugs. But, they say, they are offering a different approach that envisions a larger role for private insurers.

That strategy helped House Republicans inoculate themselves against Democratic attacks in 2000, when they passed a similar bill to add drug benefits to Medicare. The bill died in the Senate. House Republicans said their new plan would provide a richer set of benefits.

Mr. Hastert said today that the House Republican plan would "lower the cost of prescription drugs and guarantee all senior citizens drug coverage under Medicare."

But Senator Miller, a conservative Democrat, said, "All the posturing and procrastinating we've done on this issue have not helped a single senior pay for a single prescription." There is, he said, "no reason except cheap political gamesmanship that we can't have a drug benefit before Election Day."

The reloadable
Starbucks
Card

You fill it up



Medicare generally does not cover prescription drugs outside a hospital. Outpatient drug spending for Medicare beneficiaries will exceed \$86 billion this year and averages \$2,150 a person, the Congressional Budget Office says. Private insurance pays some of these costs, but nearly one-third of the 40 million beneficiaries have no insurance for drug expenses.

The proposals, as described today, differ in these ways:

¶ Medicare beneficiaries would pay premiums of \$35 to \$40 a month for drug coverage under the House Republican plan. Senators Graham and Miller would charge \$25 a month, in hope of inducing more people to sign up.

¶ Beneficiaries would have to pay the first \$250 a year in drug expenses under the House Republican plan. The Senate Democrats' plan has no deductible.

¶ Under the House Republican plan, Medicare would pay any pharmaceutical expenses after a beneficiary had spent \$5,000 on drugs in a year. Senate Democrats would set the limit at \$4,000.

¶ The House Republican plan would cost up to \$350 billion over the next 10 years and would continue indefinitely. The Graham-Miller plan would cost \$400 billion to \$500 billion and would not continue beyond 2010 unless Congress reauthorized it. President Bush's budget called for \$190 billion.

By suspending the program in 2011, Mr. Graham and Mr. Miller would limit the costs, at least on paper, and would force Congress to reassess the program.

Democrats said the House Republican plan had a big gap or hole — an interval in which beneficiaries would be responsible for all drug costs, and Medicare would pay nothing.

House Republicans envision a complex cost-sharing arrangement. After a beneficiary has met the \$250 deductible, Medicare would pay 70 percent or 75 percent of drug costs from \$251 to \$1,000. Medicare would then pay about 50 percent of drug costs from \$1,001 to \$2,000, or perhaps \$2,250.

Then, the federal payments would stop, and they would not resume until the patient had spent \$5,000 on medicine.

The Senate majority leader, Tom Daschle, Democrat of South Dakota, said, "This gap in coverage would be devastating for most seniors."

The House Democratic leader, Representative Richard A. Gephardt of Missouri, underlined another difference between the parties. House Democrats, Mr. Gephardt said, want to drive down drug prices, but he did not say how.

House Republicans said that under their plan, Medicare beneficiaries would receive substantial discounts because they would buy medicines as a group.

[Home](#) | [Back to Politics](#) | [Search](#) | [Help](#)

[Back to Top](#)