

Medicare changes debated

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Both of Rock County's congressional representatives are concerned about the Medicare prescription benefit legislation being considered by Congress.

Rep. Paul Ryan, a Janesville Republican, isn't sure how he will vote for the compromise that emerges from a conference committee trying to work out differences between competing House and Senate bills.

Rep. Tammy Baldwin, the Madison Democrat who represents Beloit and western Rock County, said she's unlikely to support compromise legislation if it closely resembles either the House or Senate bills.

Noting that entirely new legislation emerging from a House-Senate conference committee is unusual, Baldwin said that course nevertheless would be best for America's elderly.

She urged people to contact their congressional representatives with their opinions: "Now is a good time to provide input because input leads to progress."

Two more supposed deadlines have slipped away this summer, and elderly Americans still don't have a Medicare-provided prescription drug benefit.

The conference committee will iron out differences between the House and Senate bills, and the legislation that emerges will stand for an up-or-down vote in both chambers.

Ryan wants private insurance providers, especially those providing employer-based coverage, kept in the mix as the Republican-authored House bill does. And he is concerned that the Senate bill will make Medicare's impending budget crisis worse.

Neither bill has Baldwin's backing.

Both legislators have the same reason for their positions. Neither wants Medicare's projected budget shortfall to deepen.

And their reasons have the same root-an option for private insurance-but they see different results sprouting from that root.

Ryan's concern is twofold: That private employers will drop their health coverage for retirees if they have no financial incentive to continue to offer it and that lack of competition from private health-care insurers will add to costs.

"I'm worried that employers will drop their benefits," he said. "We have to strengthen Medicare to keep private benefits."

The Senate bill sets up private plans but does not have them compete against each other, Ryan said, adding that no competition "will exacerbate the bankruptcy of Medicare," he said.

And if private employers drop their retirees' coverage, Medicare must cover those costs and go deeper in debt, he said.

That's why the House bill, unlike the Senate measure, provides a financial incentive for employers to continue or start offering drug benefits, Ryan said.

Baldwin has several criticisms of the House bill: It does not start until 2007. Its benefits will be determined regionally, not nationally. It prevents the Department of Health and Human Services from bargaining for lower prices for benefits.

And because private insurers, who must turn a profit, are involved, they will accept the most healthy senior citizens but reject those with medical problems, leaving their likely and probably more expensive treatment to be paid by Medicare, she said.

"When you get HMOs and PPOs marketing to healthy seniors and the fall-back becomes traditional Medicare, it will drive up costs for Medicare," she said.

Baldwin also is troubled by what she called the "doughnut hole" in the Republicans' House bill.

Under that bill, she said, seniors would pay their premiums, co-pays and deductibles-annual total individual cost estimated at \$1,020-but once they hit \$2,000 in yearly benefits, they would be personally responsible for the next \$2,900 in expenses, she said.



About half the country's elderly would fall in that category, she said.

The Democratic proposal, on the other hand, would limit average annual out-of-pocket cost to \$780, she said.

The Democratic plan, which would simply add the benefit to Medicare, is projected to cost \$900 billion over 10 years, too much for Ryan. But Baldwin said the projection doesn't take into account what she said could be 40 percent discount because of negotiated prices.

Her criticism of the Senate bill is that it would test elderly Americans' financial wherewithal for eligibility in the program.

The Senate bills folds Medicare recipients with the lowest incomes into the Medicaid system, Baldwin said, but those people also paid the same payroll taxes that fund Social Security and Medicare.

"That would break the promise to them" of equal benefits, she said.