

# Medicare Maladies

A Series that Exposes the Dangerous Elements of the Medicare Bill currently in Committee

## MM #11: “Free” Drugs Will Cost \$2,000,000,000,000 By 2030

A lesson from Econ 101: There’s no such thing as a free lunch.

Another lesson from Econ 101, courtesy of The Heritage Foundation: There’s no such thing as a free drug either.

If Congress allows Medicare to cover prescription drugs—making them less expensive for most seniors—the costs will be staggering. As Heritage economists Brian Riedl and William Beach show in a forthcoming research paper, such an entitlement would:

- Cost taxpayers \$2 trillion through 2030 alone, with escalating costs thereafter.
- Mean today’s 40-year-olds could expect their families to pay \$16,217 in extra taxes until retirement.
- Mean babies born today would, by age 27, pay extra taxes averaging \$1,125 per household in 2030. (That’s on top of Medicare’s payroll taxes and other taxes needed to cover future shortfalls in Social Security and Medicare itself.)

In short, adding a prescription drugs to Medicare would kill just about any tax relief in the future—a major factor for economic growth, jobs and general prosperity. “Responsible lawmakers who oppose substantial tax increases should look beyond the 2004 election and examine the burden that a Medicare drug entitlement will impose on future generations,” Riedl and Beach write.

Read more of Heritage’s Medicare research at [heritage.org](http://heritage.org).

For more information or to receive an e-mail version of “Medicare Maladies,” contact [medicaremaladies@heritage.org](mailto:medicaremaladies@heritage.org) or call Heritage Media Services at (202) 675-1761.

(“Medicare Maladies” is a regular feature, launched 7/14/03, from The Heritage Foundation. Sad to say, there’s another malady coming your way tomorrow. Daily “maladies” are also available on [heritage.org](http://heritage.org).)