

Medicare Maladies

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

MM #20: The Nine Tests of Medicare Reform (Can Congress Pass Them?)

Lawmakers just can't go willy-nilly while reforming Medicare.

When they do, you wind up with proposals such as adding prescription drugs as a Medicare entitlement—an idea costing taxpayers at least \$400 billion.

True Medicare reform must move the 38-year-old program away from its central, one-size-fits-all approach toward one that offers choice and competition. To achieve this, government must follow nine tests, economist Walton Francis writes in an Aug. 7 paper for The Heritage Foundation. They are:

- 1) Follow clear, simple rules for changing Medicare.
- 2) Establish a predictable level of Medicare financing that's reasonable.
- 3) Allow health plans to decide benefit and coverage details.
- 4) Allow flexible areas for Medicare service.
- 5) Exempt competing Medicare plans from state mandates.
- 6) Establish a sensible Medicare budget strategy.
- 7) Detailed Medicare regulations should be almost nonexistent.
- 8) Encourage employer health plans to participate fully in the reformed Medicare.
- 9) Encourage and allow the Federal Employee Health Benefit Plan to participate.

Read more of Francis' paper and other Heritage Medicare research at heritage.org.

For more information or to receive an e-mail version of "Medicare Maladies," contact 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.)