MM #21: Medicare Can't Get No Satisfaction

Medicare and Mick Jagger have one thing in common: Both can't get no satisfaction.

However, a government survey suggests the Federal Employee Health Benefits Program (FEHBP) does get satisfaction, which is why it should be the model for reforming Medicare.

FEHBP covers 9 million federal employees, retirees and their spouses. Since 1960, it has offered up to two-dozen health plans, all of which have prescription drug coverage.

And people seem to like it. About 79 percent of people under FEHBP with fee-for-service (FFS) or preferred-provider organization (PPO) plans give them an "8" on a scale of 1 to 10, according to a survey from the federal Office of Personnel Management.

The survey doesn't surprise economist Walton Francis. In an Aug. 7 paper for The Heritage Foundation, Francis writes that FEHBP routinely upgrades its benefits, which is why "the overall level of enrollee satisfaction with the FEHBP is clearly very high."

Francis says this is just one reason why FEHBP should be the model for reform as Congress works on changing the 38-year-old Medicare system to include features such as prescription drugs. Other reasons include guaranteed benefits and more rural access.

The House is already hip to Francis' suggestion. In its Medicare bill, it included the adoption of an FEHBP-like system in 2010. But the Senate's Medicare bill has nothing close to FEHBP. That's why people will continue to get no satisfaction with Medicare "reform."

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.

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