

# Medicare Maladies

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

## **MM #29: Here's Your Drug Benefit. Now Hand Over \$9,710**

The prescription drug “benefit” Congress may give Medicare patients could end up costing retirees with existing employer coverage as much as \$9,710.

That's the conclusion of a forthcoming research paper by Heritage Foundation health-care expert Lanhee Chen.

Chen's figure reflects the fact that many workers have foregone wage increases in return for the promise of prescription drug coverage in retirement. Yet, the Congressional Budget Office has estimated that—if adopted—the Medicare proposals pending before Congress will induce many employers to renege on retiree coverage, dumping more than 4 million seniors onto the taxpayer-funded system.

As Chen notes, those who will find themselves without the promised coverage are people who “have worked hard their entire lives in the belief that they would receive health insurance benefits.” How much will they lose?

Chen calculates that someone who retired in 2002 after working 30 years with the same employer gave up between \$6,473 and \$9,710 in wages in exchange for promised private drug coverage. Someone who worked 20 years with the same company lost \$5,926 to \$8,890 in return for promised coverage.

Talk about money for nothing. The so-called drug “benefit” is a bad deal for millions of seniors who've been banking on enjoying the far better coverage their employers promised.

Read more of Chen's paper and other Heritage 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).)

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