

Medicare Maladies

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

MM #31: Who Are The Drug Bills Supposed To Help Again?

“Near-poor” retirees—too “wealthy” to qualify for public assistance but unable to afford comprehensive private health insurance—are among those least likely to have prescription drug coverage. But they won’t get much help from the prescription drug proposals pending before Congress.

A recent analysis from the Commonwealth Fund finds that a retired couple living on \$20,944 a year in 2006 would still spend a substantial part of their income on prescription drugs under the House and Senate proposals now being reconciled by a Capitol Hill committee.

How much is “substantial”? Under the House proposal, that couple would pay \$2,437 or 11.6 percent of their income for drugs. Under the Senate bill, the couple would spend \$3,208 or 15.3 percent of their income, according to Commonwealth, a New York-based private foundation that specializes in health and social issues.

The Heritage Foundation reached similar conclusions in a study on Medicare patients with private drug coverage. It found the Senate bill would force average Medicare patients to pay about \$621 more than what they would pay under their existing drug coverage, according to a July 15 research paper by Heritage health-care expert Lanhee Chen.

So tell us again. Who are the drug bills supposed to help?

Read more of Chen’s paper and other Heritage Medicare research at heritage.org.

For more information or to receive an e-mail version of “Medicare Maladies,” contact medicaremaldies@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.)