

Medicare Maladies

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

MM #32: FEHBP, The One Element Worth Keeping

The *Chicago Tribune* says the debate over adding prescription drugs to Medicare is “more about Campaign 2004 than sound health policy,” and has produced lousy bills from both houses of Congress.

But the newspaper adds if there’s to be a compromise bill now being worked out by a Capitol Hill committee, the least it could do is keep one feature from the House bill.

The one element worth keeping: A system where Medicare’s current fee-for-service program is forced to compete with private insurance carriers in 2010. “That would be ... a down payment on the massive overhaul that President Bush and many others have said is necessary so the entire Medicare system doesn’t dramatically slash benefits or go bankrupt in the not-too-distant future,” the newspaper wrote Aug. 24.

That system is based on the Federal Employee Health Benefits Program (FEHBP), which The Heritage Foundation supports as the best model for reform. FEHBP is simple: It offers about two-dozen health plans with drug coverage and lets people choose the ones they like best. This market-based solution solves the politicians’ need to offer prescription drugs to 77 million baby boomers aiming to retire. But the *Tribune* says it “wouldn’t be a tragedy” if the Medicare bill falls apart, forcing lawmakers to go back to the drawing board. Heritage couldn’t agree more.

Read more 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.)