

# Medicare Maladies

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

## MM #38: Senators Are Ignoring What Works

Lawmakers struggling to add prescription drugs to Medicare without busting the federal budget have several government models to consider—and most lawmakers are ignoring them.

For example, *The New York Times* profiled a Department of Veterans Affairs program Sept. 4 that allows millions of veterans to get prescription drugs, but noted that lawmakers have “disregarded” it as they work on a compromise bill to send to President Bush.

The Heritage Foundation by no means thinks that the VA’s approach is well-suited to deliver drug benefits to seniors. But we do view another federal program as an excellent model for sorely needed Medicare reform.

It’s the Federal Employee Health Benefits Program or FEHBP. It covers 9 million federal employees and retirees and routinely offers up to two dozen health plans, all of which have prescription drugs. And it’s not some new-fangled program, either. It’s been around since 1960, five years before Medicare started.

The House calls for a pluralistic FEHBP-like system to be in place by 2010. But the Senate does not. Instead, it offers a one-size-fits-all prescription drug entitlement that will cost \$432 billion in the first 10 years, according to the Congressional Budget Office.

FEHBP is a good model because it works. Why senators ignore it, we’ll never know.

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(“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).)