

# Medicare Maladies

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

## MM #43: How Medicare Segregates Seniors

Picture a sign in front of a health insurance office that reads: “Elderly Need Not Apply.”

If it sounds discriminatory, it should. Outside of traditional Medicare, there’s no real alternative for seniors for their primary coverage, including keeping the plan they may have relied on their entire working life. “When a person turns 65, their health care needs don’t necessarily change,” Heritage Foundation health-care expert Robert Moffit says. “Why shouldn’t they be allowed to stay in the same health plan they used when they were 64?”

Moffit also says that, under the two congressional bills to make prescription drugs a Medicare entitlement, roughly 4 million retirees who have private drug coverage stand a good chance of losing that, too. They will be segregated from private health-insurance coverage and forced to rely on a Medicare drug benefit, which is inferior to most private health plans.

But there’s a way out, Moffit says: Allow people to keep their private coverage in retirement and get a government contribution to offset its cost. If they want to switch to some other plan later on, they can do that, too. Millions of federal workers can do that every year in the Federal Employee Health Benefits Program or FEHBP. It routinely offers up to two dozen health plans in any area of the country and includes prescription drugs. This can be a model for Medicare reform and open up alternatives for the coming baby boomers.

Read more about FEHBP 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 [medicaremaldies@heritage.org](mailto: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](http://heritage.org).)