

Medicare Maladies

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

MM #58: Lawmakers Say “Yes.” But Insurers Say “No Way.”

Many lawmakers are behind it. A lot of seniors are behind it. But there’s an important group that’s not backing federal proposals to make Medicare prescription drugs a stand-alone insurance product: The insurance industry itself.

That’s a sign lawmakers should heed as they work on a compromise Medicare bill to send to President Bush, nationally-renowned health policy consultant Robert Laszewski told congressional staffers at an Oct. 6 Capitol Hill briefing.

“Show me the list of insurance companies lining up behind this drug proposal,” Laszewski said at the briefing, sponsored by The Heritage Foundation. “This program is solely for a political benefit. No for-profit insurance company would create something like this.”

One reason for the insurance industry’s lack of support is what Laszewski calls the “1,000 lb. gorilla”—chronic underpayment by the government. It’s concerned that Congress will cut Medicare payments to insurance providers to balance the budget. It has done this in the past, Laszewski says, to keep Medicare costs down, and there’s no reason why it should change.

Also, without broad insurance industry participation, the attempt to make prescription drugs an entitlement to all Medicare patients will resemble the national health-care plans of the Clinton administration a decade ago. “If you pass this thing and the private-sector plans don’t show up for this, then you will have a single-payer health plan for drugs,” Laszewski said.

That was not the idea. Read what Medicare reform should be like 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.)