

Medicare Maladies

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

MM #76: Winners, Losers And The Medicare Bill

How much will a proposed prescription drug benefit in Medicare help you?

It depends on whom you ask. President Bush has said the proposal being negotiated in Congress would cut the annual pharmacy bills of seniors in half.

Tom Scully, Medicare's top official, told The Associated Press on Nov. 2 that the legislation would give a "spectacular health benefit" to Medicare patients whose annual income doesn't exceed \$13,500.

But the National Taxpayers Union declared the bill would have "middle-income workers subsidizing drug costs for wealthy seniors," making it "one of the worst features of this legislation."

The Heritage Foundation took it one step further. It calculated that, if the benefits become law, a person born today would, by age 27, pay extra taxes averaging \$1,125 per household every year in 2030. That's on top of Medicare's payroll taxes and other taxes needed to cover future shortfalls in Social Security and Medicare itself.

So let's get this straight: If the benefits become law, wealthy seniors who can afford drugs already would be even better off. Really, really poor ones would do well, too. Middle-income workers get shafted. And infants, who will grow up to be future taxpayers, get burned as well.

And lawmakers want this to be the "solution" to the Medicare prescription drug problem.

Read about a better way to offer prescription drugs through Medicare 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.)