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Do the right thing on Medicare

By Congressman Joseph R. Pitts

If nothing is done, in the not so distant future, Medicare, the federal government's insurance program for senior citizens, will go bankrupt. The retirement of the Baby Boom generation, longer life spans, and higher costs for medicine and services will combine to strike a fatal blow to Medicare.

If we are to meet the challenges Medicare faces in the next several decades, we need to blaze a path towards real reform or risk devastating consequences that could leave millions without the health insurance they thought they could depend on.

In July I voted for H.R. 1, the Medicare Prescription Drug and Modernization Act of 2003. H.R. 1 would provide \$400 billion to add a prescription drug benefit to Medicare and provide limited but necessary reforms to Medicare. This week the House and Senate began meetings to resolve differences between the two versions of this bill. Once they reach an agreement, both chambers will have to approve it.

My primary concern is making sure this bill does what Washington's press releases claim it will do – strengthen Medicare through real reform and provide our most needy seniors with an affordable, voluntary prescription drug plan.

Shortly after we passed H.R. 1, the Congressional Budget Office (CBO) increased its cost estimate for the bill by \$30 billion dollars. This was not surprising considering that since its inception, Medicare has cost seven times more than experts have estimated.

Medicare's funding model does not keep pace with advances in technology and services for Medicare recipients fall short of those received by seniors in private employer-sponsored plans.

This disparity is most obvious when it comes to prescription drugs. Medicare currently has no outpatient prescription drug benefit.

Currently, nearly twenty-four percent of seniors have no prescription drug coverage, and about five percent have out-of-pocket prescription costs of more than \$4,000 per year. It's an outrage that some seniors are forced to choose between putting food on the table and the medicine they need to live. I have said

for several years that our government should provide seniors in need with a voluntary, affordable, targeted prescription drug benefit in Medicare.

On the other hand, seventy-six percent of America's seniors have some form of prescription drug coverage many of them through private plans. The average senior spends less than one thousand dollars per year on medications.

So it makes sense to target the benefit to those who need it most. However, the conference committee is moving away from that voluntary, affordable, targeted benefit coupled with reform. Instead, under pressure from the Senate, they seem to be headed toward a universal benefit without reform.

This course could spell disaster by tying us to an outdated funding model while providing a drug benefit to any senior who wants it.

A universal benefit will encourage unscrupulous private health plans to jettison seniors. This will shift the entire cost of retirees' health care from the private sector to the American taxpayer – our children and grandchildren.

The Congressional Budget Office (CBO) estimates that thirty-two percent of retired workers with employer-sponsored drug coverage would lose it under the House bill. The figure jumps to thirty-seven percent if the Senate bill were enacted. This would mean that between 3.8 million and 4.4 million retirees could lose their employer-provided drug coverage outright.

It is irresponsible to provide a huge new entitlement without ensuring we can foot the bill. And there is no way we can fulfill our obligations without reform. To address this issue, President Bush suggested we make Medicare more like the plan enjoyed by Members of Congress and federal employees.

Without that reform, I cannot, in good conscience, vote for this bill. It would make costs mushroom to an unbelievable level, leaving us with a terrible choice – raise taxes dramatically to cover costs or kick people out of Medicare.

That's an unthinkable choice no one wants to make. But it's one we can avoid if we return to the path of real reform and a prescription drug benefit targeted to those who need it.

I will continue to urge House and Senate negotiators to stay the course of reform that offers seniors a real choice and provides a voluntary, affordable prescription drug benefit to our nation's most needy seniors.

Congressman Pitts serves on the House Energy and Commerce Subcommittee on Health.

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