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Consumers Union Urges Americans to Keep Score on Medicare Bill

Should Demand Answers from Congress on Whether Prescription Drug Bill Emerging From Conference Committee is Good or Bad for Consumers

(Washington, DC) -- Reports about tentative agreements and compromises struck by conferees working to reconcile the flawed Medicare prescription drug bills passed by the House and the Senate in June reveal that the measure may do little to help seniors access affordable prescription drugs.

When and if a final deal is struck, the legislation is likely to be rushed to the House and Senate floor for quick consideration. The fine print behind the deals will determine whether the legislation will provide modest relief for seniors and the disabled *or* whether the bill will mean the end of Medicare as we know it, forcing beneficiaries to sacrifice their freedom to choose their own doctor.

Consumers Union, publisher of *Consumer Reports*, urges the public to demand answers from their Representative and Senators about what the bill will mean for them. Before voting on the legislation, members should be able to explain to their constituents how the legislation scores on these key concerns:

Scorecard for Medicare Prescription Drug Bill Will Consumers' Needs be Met?

| | Good for Consumers | Bad for Consumers |
|---|-----------------------|----------------------|
| Will the drug benefit be adequate? <ul style="list-style-type: none"> • Is coinsurance higher than 20 percent? • Is there a doughnut in coverage? • Is there relief for those with moderate expenses, and true catastrophic protection? | X | X X |
| Will the government negotiate fair prices for U.S. consumers? <ul style="list-style-type: none"> • Is there a prohibition on the government seeking fairer prices? • Are loopholes that delay generics closed? • Will U.S. consumers have access to safe drugs at prices comparable to those in Canada? | X X | X |

| | Good for Consumers | Bad for Consumers |
|---|--------------------|----------------------------|
| <p>Will the universal nature of Medicare be preserved?</p> <ul style="list-style-type: none"> • Will benefits be based on income, providing incentives for those with high-incomes to leave the Medicare program? • Will Part B premiums vary substantially depending on where in the country you happen to live? • Will pharmacy benefit managers (PBM's) have total control (with limited accountability and transparency) meaning that benefits are not standard, but depend on where you live (and which PBM your plan uses)? | | <p>X</p> <p>X</p> <p>X</p> |
| <p>Does the bill ensure beneficiaries' freedom to choose their own doctor is not threatened by requiring "traditional" fee-for-service Medicare to compete with private HMO's and PPO's?</p> <ul style="list-style-type: none"> • Will those who wish to remain in traditional Medicare face increased premiums based on their choice? • Are private HMO's and PPO's provided subsidies that unfairly favor them and drive up Medicare costs? | | <p>X</p> <p>X</p> |
| <p>Will the legislation not provide incentives for employers to drop their retiree benefits that now provide comprehensive drug coverage?</p> <ul style="list-style-type: none"> • Will an estimated four million beneficiaries end up with less prescription drug coverage than they have currently? | | <p>X</p> |
| <p>Will those eligible for both Medicaid and Medicare not be forced to get their prescription drug benefits through Medicaid?</p> <ul style="list-style-type: none"> • Will states' budgets get some relief that will allow keep them from cutting health benefits for children and those with low-income? | <p>X</p> | |
| <p>Will those with low-income get meaningful relief?</p> <ul style="list-style-type: none"> • Will there be an assets test that means low-income alone is not sufficient to qualify for subsidies? • Will low-income beneficiaries have coverage for any doughnut? | <p>X</p> | <p>X</p> |

| | Good for Consumers | Bad for Consumers |
|---|--------------------|-------------------|
| <p>Will there be a <i>real</i> federal fallback?</p> <ul style="list-style-type: none"> • Will the federal fallback apply when there is just one private plan (plus one PPO) in a region? • Is the federal fallback expected to be available to at least one third of Medicare beneficiaries? • Will there be any guarantee of premium level? | X X | X |
| <p>Will new cost containment provisions (such as a global cap on spending) threaten the availability of Medicare benefits to all?</p> | | X |
| <p>Will costly provisions such as expanded medical savings accounts (e.g. health savings accounts) that threaten to erode employer-based coverage for those under 65 be tacked on? (This could drive up the number of uninsured and make it harder for those with pre-existing conditions to get coverage?)</p> | | X |

For more information, go to <http://www.consumersunion.org> and click on the health care link.