Larson, at senior center, faults Medicare Act

By: Brian Woodman Jr., Staff Writer 01/08/2004

U.S. Congressman John Larson (D-1) visited the Marilyn Michaelson Senior Center this week to discuss the Medicare Act of 2003, passed in December. During the Jan. 5 visit, he criticized the bill, which he described as "a cruel hoax."

He stated that while proponents of the bill claimed it would address high prescription drug costs for seniors, it was essentially a step toward privatizing Medicare. He said it did not adequately provide relief for seniors paying high costs as promised.

"Every western industrialized nation in the world, save the United States, does for its senior citizens what this bill fails to do," he said.

He said his main criticism with the act was that it did not permit the Secretary of the Department of Health and Human Services to negotiate with companies to secure lower drug prices.

Judith Stein, executive director of the non-partisan Center for Medicare Advocacy, who appeared with Larson, agreed this was a major point. The private non-profit organization maintains offices in Washington D.C. and headquarters in Willimantic.

Larson urged the seniors who were present that there was still time for officials to repeal or amend the bill because it does not take effect until 2006. He suggested that everyone should their congressmen and state their opinions.

"This is a place where citizens can have a significant impact," said Stein.

She also disagreed with a provision in the act that requires people choosing the voluntary prescription drug benefit to select and enroll in a private plan for coverage. She said the government should apply the payments toward the traditional Medicare program.

She criticized the act for requiring that beneficiaries pay $3,600 toward a gap in coverage—she called it a doughnut hole. She said they would pay their initial $250 deductible, than pay out-of-pocket after $2,250 until reaching a $5,100 threshold.

She also criticized the bill for being difficult to understand.

Keith Bell, a member of the audience, agreed. Bell, an employee benefit broker, suggested the government establish a Prescription Benefit Management entity that would negotiate lower prices and administer a co-payment plan based on three tiers—there would be separate co-payments for generic drugs (the lowest
co-payment), brand name drugs on the plan's formulary (list of preferred drugs) and brand name drugs not on the formulary.

Stein discussed other points regarding the act that she felt people should understand. Among them were:

* The act does not establish a standard premium amount, but discusses about $35 to represent what the average amount would be.

* It allows each drug plan to decide which drugs to cover on its formulary.

* It requires plans to make information on formulary changes available without providing it directly to people enrolled in it.

* Non-formulary prescription prices would not be applied toward the $3,600 spending gap.

Stein recommended that people interested in more information refer to the center's web site at www.medicareadvocacy.org.

Sources with Larson's office said the congressman has already visited senior centers in Southington as well as Bloomfield since the passage of the act, and will visit other centers in February.