



## GRAY MATTERS

# AARP tinkering won't fix a bad drug bill

Saul Friedman

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Even as the horror stories keep coming, the folks at AARP won't acknowledge they may have made a mistake when they supplied the decisive support for the passage of the abominable Medicare bill. Instead, AARP is trying to recapture some of the credibility it lost. But will it go far enough?

Last month AARP leaders joined with Sens. Byron Dorgan (D-N.D.), Olympia Snowe (R-Maine), and John McCain (R-Ariz.) to endorse their bipartisan bill to permit the purchase of FDA-approved drugs from pharmacists in Canada and other countries. It was unusual for AARP to endorse the Dorgan bill outright. It would have been more characteristic for AARP to find merit in a competing bill supported by Sen. Judd Gregg (R-N.H.), chairman of the Senate Health, Education and Labor Committee, and endorse neither.

The Gregg bill is clearly a phony that would give the FDA a year to come up with a system to permit buying drugs from Canada. Ordinarily, AARP might have said, as it did about the Medicare bill, "it's not perfect, but it's a start." However, its studies have found that drug manufacturers raised prices twice the inflation rate from 2000 to 2003, and, despite a plea to show restraint, they jacked up prices again this year in anticipation of the sale of drug discount cards.

And AARP polled Americans over age 50 and found that 79 percent favored legalizing the purchase of drugs from Canada and 74 percent favored the Dorgan bill as it was explained to them. So AARP could hardly support the Gregg alternative.

AARP took no such poll on the unpopular Medicare bill. But since its passage, as members quit by the thousands to protest AARP's support, the organization has insisted "it was a good first step," but hastened to support such fixes as closing the gap in coverage, permitting the importation of drugs and allowing Medicare to negotiate lower drug prices.

Vicki Gottlich, a Washington attorney with the Center for Medicare Advocacy, said AARP is doing little more than "tinkering around the edges to make the Medicare bill more palatable. It's doing nothing to change its fundamental provisions to privatize Medicare." The key feature of the bill, which takes effect Jan. 1, 2006, is its reliance on private insurers for virtually every benefit in Parts A and B now administered by Medicare. Even the drug discount cards are available only from privately owned companies, not from Medicare.

While the changes AARP and others seek would help, most of the problems uncovered by advocates are

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more fundamental and stem from provisions turning Medicare over to private insurers. As the Medicare Rights Center points out, the new Medicare Part D coverage will be offered by dozens of companies, each presenting different drugs at different prices with different premiums, which can change frequently. And they will each be offering coverage with different physicians, hospitals and lab benefits.

In this atmosphere of competition, with profits to be made and Medicare playing only a bystander role, your current coverage, original Medicare plus Medigap, or state discount drug plans or your HMO, may not survive.

According to the Medicare Rights Center: "Many of the current coverage options could very well disappear as Medicare's drug benefit starts up in 2006. Entities providing drug coverage to people with Medicare, including employers and states that offer prescription assistance, do so at considerable cost." Once Part D begins, employers and states can be expected to shift increasing cost burdens to the federal government.

Last month the federal government estimated that as many as 3.8 million Medicare beneficiaries could lose all or part of their employer-sponsored coverage when the Medicare benefit takes effect.

For even though the law provides employers a healthy subsidy (\$71 billion over eight years) to keep their employee insurance, they'll save more money by ending or reducing retiree health coverage.

In a July paper for the Center for American Progress, Jeffrey S. Crowley, of Georgetown University's Health Policy Institute, concluded that each of the competing private insurers will control the formularies for the drugs they will offer.

With the insurers and drug companies controlling formularies, Medicare will have no control over drug costs, which beneficiaries will pay for in rising Part D premiums, on top of rising Part B premiums. And last month Democrats on the Joint Economic Committee discovered that the hikes in drug costs would devour the Social Security cost of living adjustment and reduce monthly benefits for millions.

So forget the tinkering with a bad bill.

As the Medicare Rights Center says, beneficiaries "should be entitled to the choice of a reliable prescription drug plan delivered through Medicare, regardless of where they live, which drugs they take, who signs their prescriptions or which pharmacy they use." What say, AARP?

Write to Saul Friedman, Newsday, 235 Pinelawn Rd., Melville, NY, 11747-4250, or by e-mail at saulfriedman@comcast.net.

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