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IMPLEMENTATION OF NEW DRUG BENEFIT SIGNALS THE END OF MEDICARE AS WE KNOW IT

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“The announcement today of the private organizations that will sponsor new Medicare prescription drug plans signals the privatization of Medicare,” says Judith Stein, Executive Director of the Center for Medicare Advocacy, Inc., a national non-profit organization that represents older people and people with disabilities. “Furthermore, these changes move Medicare from a national program to a regionalized program, which is utterly contrary to the original vision of Medicare.” Unlike the traditional Medicare program, which is a uniform program that is available throughout the country, Medicare prescription drug plans will only be available through private companies. The majority of these plans will only serve specific regions, not the entire country.

“We only need to look at the problems caused by Hurricane Katrina to understand the implications of the privatization and fragmentation of Medicare,” explains Stein. “Medicare beneficiaries forced to leave Biloxi or Gulfport or New Orleans are assured of health care coverage anywhere in the country if they have traditional Medicare coverage.” The overwhelming majority of Medicare beneficiaries - 88% - currently get their Medicare through the traditional program, rather than through Medicare HMO’s and other health plans. The new Part D program, however, encourages beneficiaries to enter private Medicare Managed Care plans because of their lower costs. “Once Part D is implemented,” Stein continued, “a private Medicare plan in Mississippi or Louisiana will not work when someone is moved suddenly to Texas or Georgia. The difficulty in getting a new Medicare plan, or getting the government to ease restrictions, could result in a delay in getting access to life-sustaining or life-saving health care and medications.”

The Center urges Medicare beneficiaries to look carefully at the prescription drug plans available to them before making a choice. Beneficiaries should be aware that private insurance companies may not provide coverage everywhere in the country, nor will they provide the stability in benefit design and staying power that they are accustomed to getting from the traditional Medicare program.