

Report Clears Medicare Ads

But GAO does cite 'omissions' in spots critics call partisan

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WASHINGTON -- Congressional investigators cleared the Bush administration Wednesday of wrongdoing in producing advertisements about new Medicare prescription-drug benefits that critics claimed were a misuse of taxpayer dollars and misled the public about the benefits.

But the report by the General Accounting Office, the investigative arm of Congress, concluded that the ads produced by the Department of Health and Human Services have "notable omissions and other weaknesses."

Democrats alleged that the ads were being used by the administration to promote President Bush and misrepresented the program to make it appear that the new Medicare benefits are more generous than they are. Nine members of Congress asked the GAO to review the ads to determine whether the spots violated federal laws prohibiting agencies from spending taxpayer money on "publicity or propaganda" without the approval of Congress.

But the report found that the advertisements, while flawed, "are not so partisan as to be unlawful."

The ads, which include mail, print and television advertising, are part of a \$22 million media campaign by Health and Human Services to highlight changes resulting from the enactment of prescription-drug coverage

The television spots emphasize that the basic Medicare program has not changed, but that under reforms passed last year, new benefits are available to senior citizens, such as prescription-drug coverage. The ads include a toll-free number for seniors who have questions about their benefits.

The ads do not mention that seniors who enroll in the drug-discount card program created by the new law may be charged an annual fee, or that the savings from the discount cards may vary by the type of prescription drug. But the GAO found that those omissions were not enough to recommend that the ads be pulled.

"GAO confirmed that the law mandates us to educate seniors and that our ads are not political," HHS Secretary Tommy Thompson said in a statement. "The GAO report makes clear our responsibility to inform seniors. We feel a great responsibility to make sure seniors understand the new benefits and how they might help them."

Democrats say the ads oversimplify the benefits available to senior citizens and may even confuse seniors about the program. Some lawmakers say they will continue fighting to get the advertisements changed.

Rep. Jan Schakowsky (D-Ill.), one of the lawmakers who requested the investigation, said the GAO has left it up to Congress to force the agency to halt the campaign and "provide accurate information to beneficiaries."

"GAO's report on the Bush's administration's multimillion-dollar Medicare PR campaign raises serious questions about whether taxpayer dollars were misused for political purposes," she said. "Although the campaign is not technically illegal, it was found to include 'notable omission and other weaknesses,' to have a 'political tone,' and have the appearance of 'an attempt to persuade the public to the administration's point of view.'"

The White House said the ads were strictly educational.

"It is important seniors get all the information about the Medicare plan," said White House spokesman Trent Duffy. "The administration thinks the ads are educational and the companies airing the ads have reached the same conclusion."

But that conclusion was not reached without controversy. CBS pulled the ads when it became aware of the investigation, though the ads were back on the air after the words "savings may vary" were added. Congressional Democrats said the addition proved the ads were incomplete and possibly deceptive.

The GAO criticized Health and Human Services for putting advertisements about Medicare reform in newspapers targeted at members of Congress. The report says department officials said publishing the advertisements would make it easy for lawmakers and their staff to have the information that it was providing to beneficiaries.

But the GAO found that "there are any number of more effective vehicles to communicate with members and staff, and at less cost, than advertising in a newspaper."