

## Analysis: Comparison of New Medicare Bill to One in 1988

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This is MORNING EDITION from NPR News. I'm Renee Montagne.

President Bush today will sign into law the most sweeping changes to the Medicare health program in its 38-year history. Passage of the measure is a major coup for Republicans. For years Medicare has been a stronghold of Democratic politics. But as NPR's Julie Rovner reports, the new law could have a political downside as well.

JULIE ROVNER reporting:

There's more than a grain of truth to the old Washington adage that Social Security and Medicare are the third rails of politics--touch them and die. In 1988 Congress passed the Medicare Catastrophic Coverage Act. Among other things, it would have added a prescription drug benefit to Medicare and shielded patients from unlimited out-of-pocket health costs. But the bill proved so unpopular, Congress was forced to repeal it a year later. Illinois Democratic Congresswoman Jan **Schakowsky** was there when a group of angry seniors literally chased that bill's sponsor, Illinois Democratic Congressman Dan Rostenkowski, from a town hall meeting to his car. During last month's debate,

**y**  
that history was about to repeat itself.

**Schakowsk**  
warned

Representative JAN **SCHAKOWSKY** (Illinois, Democrat): Everyone on Capitol Hill liked it, including the AARP. They didn't check with the seniors. And we're about to make the same mistake, my friends, tonight. I tell you, if you vote for this, you better get your running shoes. The senior citizens will be after you.

ROVNER: But those who support the new measure say sponsors took pains not to make the same mistakes they made back in 1988. John Rother is policy director of AARP and a veteran of the earlier fight. He says a key difference is that while the 1988 law was mandatory, this one is not.

Mr. JOHN ROTHER (AARP): You only are invited to join this on a voluntary basis and I think that will defuse a lot of potential opposition.

ROVNER: Rother says another problem with the 1988 law was that in an effort to be fiscally responsible, Congress decreed that Medicare patients start paying for the new benefits a year before they took effect in order to build up a reserve fund.

Mr. ROTHER: This may have been good economics, but it was terrible politics. People having to pay in and not seeing any benefit for a year isn't really how to make sure a program is a popular program.

ROVNER: But probably the biggest problem with the catastrophic law was that it was to be fully financed by Medicare beneficiaries themselves, with higher income seniors subsidizing the poor. That's not the case this time. The new law includes nearly \$400 billion in new spending. But in addition to those differences, AARP's Rother says there's something else that makes him more confident that this law will stick. Back in 1989, many of the so-called grassroots groups that agitated for repeal were underwritten by the drug industry. The industry opposed that measure because it feared government price controls.

Mr. ROTHER: It had a lot of financial resources to fund opposition. I think today almost all parts of the health system are actually in favor of the bill, including hospitals, doctors and pharmaceuticals as well as AARP. So I don't think we're likely to see that same kind of

well-financed, entrenched opposition that we saw when catastrophic was under debate.

ROVNER: But the fact that there won't be the same backlash that occurred 14 years ago doesn't mean there won't be a backlash. Former Congresswoman Barbara Kennelly, another veteran of the last battle, today heads the National Committee to Preserve Social Security and Medicare. Unlike AARP, that organization opposed this latest bill. Kennelly says in her visits with seniors, the biggest problem is the size of the benefit or lack thereof. She says seniors are particularly unhappy with the benefits gap in coverage.

Former Representative BARBARA KENNELLY (Democrat, Connecticut): If you're paying for your cable TV and they tell you you can pay six months and you get cable TV and then six months you get nothing, that's what this is doing. They're saying, 'Pay a premium and get nothing.' Right where you get nothing is right where you need it, when it's over \$2,000.

ROVNER: Even AARP's Rother says he's uncomfortable with how the drug benefit is being portrayed by lawmakers and President Bush.

Mr. ROTHER: It would be much better and much more accurate if people talked about drug assistance or modest help and not imply that this is just as good as members of Congress have or as most employees have who have health insurance because that's just setting people up for disappointment.

ROVNER: There's no question that at least in the short term Republicans will benefit from the new law. The question is whether and when that positive might turn negative. Julie Rovner, NPR News, Washington.