

The Century Foundation

formerly the Twentieth Century Fund
41 East 70th Street, New York, NY 10021
(212) 535-4441

NEWS

Contact: Christy Hicks
212/452-7723
hicks@tcf.org

FOR IMMEDIATE RELEASE

Century Foundation Reports Shed Light on Bush's Medicare Reform Plan Policy Research Organization Can Provide Information and Analysis on this Important Policy Debate

NYC—3/4/03. President Bush today announced his framework for reforming Medicare, the federal health insurance plan for older and some disabled Americans. The centerpiece of this proposal is to offer incentives to seniors to join private health plans that would deliver Medicare benefits. Seniors who choose such plans would receive a subsidized prescription drug benefit, broader coverage of preventive services, and limits on very high out-of-pocket hospital costs.

Leif Wellington Haase, a health care expert at The Century Foundation, warns that the plan makes more sense as a political strategy than as a framework for policy. "Moving toward comprehensive drug coverage, enacting protections for those beneficiaries with very high drug costs or hospital bills, and expanding preventive services are good ideas," says Haase. "But it is not at all clear that steering Medicare beneficiaries toward private plans is either a fair or efficient way of accomplishing these goals. Under the administration's proposal, those who remain in traditional Medicare will get little in the way of relief from high costs for important medicines. Whether private plans actually will offer expanded coverage remains in doubt."

The Century Foundation recently has published a large body of work on Medicare reform that helps to make sense of this proposal. As a whole, these books, papers, and reports raise serious questions about whether moving in the direction of privatizing Medicare is the right strategy. Even if some ideas show promise, much of the necessary groundwork is not in place. Proceeding without caution may result in disruption to the existing program and in harm to its most vulnerable beneficiaries.

The Foundation has worked to address questions that include:

- What Would the Consequences of Reforms Be?

Medicare Tomorrow: The Report of The Century Foundation's Task Force on Medicare Reform (2001), the product of a distinguished panel of policymakers and medical practitioners, uses a set of basic principles to show the possible impact of different reforms on Medicare's financing and its benefit package.

- What Would the Reforms Look Like?

In the background paper to *Medicare Tomorrow*, Lisa Potetz explains proposals for expanding private health plan participation in Medicare and analyzes the similarities and differences between these various approaches, such as the Federal Employees Health Benefits Program, Medicare+Choice, and Premium Support.

Medicare: The Basics (2001) explains the basic elements of reform proposals in an accessible, introductory fashion.

more...more...

Page 2 – Century Foundation Reports Shed Light...

- Are Such Reforms Necessary?

Budget expert Joseph White's book *False Alarm* (Johns Hopkins, 2001, updated paperback ed. spring 2003), asks whether Medicare and Social Security reforms are truly necessary given the current financial realities of these social insurance programs.

- Who Would Be Most Affected by These Reforms?

A Place at the Table: Women's Needs and Medicare Reform, a report just released by The Century Foundation and the Institute for Women's Policy Research, by Medicare expert Marilyn Moon with Pamela Herd, points out that proposals such as those being promoted by President Bush may have serious flaws. If implemented without proper safeguards, beneficiaries may face steeply higher out-of-pocket costs. Those most likely to be affected are older women and poorer, sicker, and disabled beneficiaries.

On the Web

The Century Foundation offers information and analysis of the Medicare reform debate on its MedicareWatch web site (www.medicarewatch.org). Many of our reports can be downloaded from the site. Ordering information for books is also available. The site also contains links to reports from other organizations, news articles, commentary, and other resources about the current reform debate.

Find an Expert or Get Information

Leif Wellington Haase is the Century Foundation's health policy fellow. He can provide information and commentary as the debate over Medicare reform unfolds. He can be reached at (212) 452-7725 or at haase@tcf.org.

Shoshanna Sofaer, the executive director of The Century Foundation Task Force on Medicare Reform, as well as authors of TCF reports and books on the topic are also available for comment. For more information, contact Christy Hicks in the Office of Public Affairs at (212) 452-7723 or hicks@tcf.org.

#