
EDITORIAL: PRESIDENT'S MEDICARE PLAN STILL LOOKS LIKE WEAK REMEDY

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President Bush has some intriguing ideas about how to address Medicare drug costs, but ultimately his plan for addressing problems in the system are far short of what's needed.

Democrats have quickly criticized the president's proposals, but it's important to point out that Democrats haven't exactly offered a lot of great ideas to shore up Medicare. The country needs to see substantive action.

The president wants to charge higher premiums for participants in the Medicare drug program among those who have higher incomes, calling for individuals making more than \$82,000 a year (\$164,000 per couple) to pay more. The exact increase in what those premiums would be isn't known.

Other aspects of the president's proposal would limit damages in malpractice cases, which is a bad idea; give the secretary of health and human services authority to require use of electronic health records; and ramp up efforts to link the amount of payments in Medicare to the quality of care provided.

The use of electronic records is where the entire health-care system should be headed, as is the push for linking pay to quality. As for capping non-economic and punitive damages, that limits the costs to health-care providers by denying justice to victims of malpractice, which is downright immoral.

The president's proposal does score points in that it recognizes the need for changes in Medicare, and it recognizes that middle- and lower-income Americans are being severely squeezed by health-care costs.

But the best way to save money in the Medicare drug program is the same as always: Allow the government to negotiate lower drug prices from the pharmaceutical companies. Democrats say the president's plan to require more from higher-income participants is a case of laying the rising costs on beneficiaries. They call more for plans that would reduce payments for private Medicare insurers under Medicare Advantage, which can include prescription drug coverage.

Insurers aren't root of problem

The Democrats continue to see the overall health-care crisis in terms of what insurers are paid, which is a bit off-target. The root of the problem is the cost of care. Ideally, in the basic health-care system, insurers should be needed only for serious conditions. Patients should be able to afford routine health-care procedures, because those services should be reasonably priced. Currently, they're not reasonably priced. As long as Democrats limit their thinking to insurance plans, they're only adding to the bureaucracy and haggling over the costs of a middleman.

The emphasis on streamlining costs with electronic records and making providers compete on price and quality would be more effective. The basic health-care system should either be a purely free-market system, which it currently is not, or a single-payer government-run program. Medicare has been a very popular government-run program.

The reality is that politics is going to drive the health-care debate, including discussion of Medicare. Tough decisions on taxes and the amount paid to providers must be made. The best solution probably can be found in a proposal by U.S. Rep. Jim Cooper of Nashville, who advocates a special commission on entitlements like Medicare and Social Security, which could work devoid of political influence. All the other proposals only seem to nibble on the edges.