

# Congress of the United States

## House of Representatives

Washington, DC 20515

June 7, 2002

### REPUBLICANS AIM TO PRIVATIZE MEDICARE

Dear Colleague:

Make no mistake about it. The goal of the House Republicans in pursuing a Medicare drug benefit is much more about privatizing Medicare than it is about improving the program to provide a long overdue prescription drug benefit.

House Republicans, led by Ways and Means Chairman Bill Thomas, have been relentless in their efforts to push forward the failed premium support model that failed to be reported out of the Bipartisan Medicare Commission.

They are using the promise of a drug benefit to accomplish their longstanding goal of privatizing Medicare. They want to convert Medicare from an entitlement program with a defined benefit to a defined contribution - or voucher - program. In their vision, a senior's ability to get needed health care will depend upon his or her ability to pay the premiums for a private plan that meets those needs.

In order to get a drug benefit under the Republican proposal, seniors who have chosen to stay in traditional fee-for-service will be forced into private drug plans. The private drug-only plans are allowed to charge whatever premiums they want, cover whatever drugs they want, and limit seniors' choice of pharmacies. In sum, their "Medicare drug benefit" is really a guarantee to have the option to buy a private policy that may or may not meet beneficiaries' needs.

But House Republicans won't stop there. Reports indicate that the bill will lay the framework to convert the entire Medicare program to such a private model.

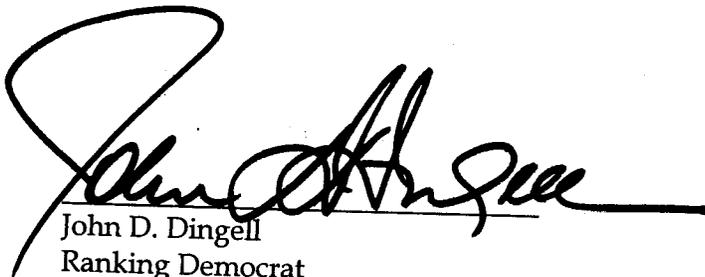
Remember, we have Medicare because the private health insurance industry didn't want to insure seniors. Our experience with the Medicare+Choice program makes clear that private plans still find it impossible to do so at a reasonable rate. Yet, reality doesn't get in the way of the ideology of privatization.

But as this proposal moves closer to introduction, some of Chairman Thomas' fellow Republicans are getting nervous. An article in yesterday's *Congress Daily* quotes an unnamed GOP legislator as saying "There's no reason to have reform [if it] isn't going to pass the Senate." And a Republican staff member, referring to Republican members, says that "They're afraid reform will look like they're trying to privatize Medicare."

Republicans are right to be nervous. Medicare is a program that has worked for America's senior citizens and disabled people. It is a program we count on for our future and for the health care of our parents and grandparents today. We should be improving it - not dismantling it.

That's why we urge you to reject the Republican privatization attempts and to support the upcoming Democratic Medicare prescription drug bill - a bill that improves and protects Medicare as we know it.

Sincerely,



John D. Dingell  
Ranking Democrat  
Committee on Energy and Commerce

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Pete Stark  
Ranking Democrat  
Committee on Ways and Means  
Health Subcommittee