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## Medicare to managed care?

**As the debate over senior health care continues, President Bush makes his pitch: Convert Medicare subscribers to HMOs.**

By RANDOLPH FILLMORE

© St. Petersburg Times, published March 25, 2003

On March 4, speaking before the American Medical Association, President George W. Bush outlined several proposals for overhauling Medicare. The proposals would focus on the prescription drug issue and new ways to get Medicare subscribers into managed care.

The president also wants to open the Medicare health care market further by offering Medicare enrollees a drug benefit, but only if they join a managed care program.

Bush announced that he favored two forms of managed care programs. He called them "Enhanced Medicare" and "Medicare Advantage."

Enhanced Medicare would offer seniors a federally standardized drug benefit if they joined a managed care plan and paid an additional monthly premium to the plan. The Medicare Advantage plan would be similar to today's Medicare+

Choice program, in that seniors would join a managed care organization, but with no additional fee and no federal guarantee of a prescription drug benefit. A third option would be for seniors to remain in traditional Medicare and receive catastrophic drug coverage, but only after they spend many thousands a year on prescription drugs.

President Bush asked Congress to work out the details by 2006. Democrats offered their own plan to keep seniors in Medicare and provide a prescription drug plan that would cost a \$25 monthly premium and \$100 deductible. The Democrats' plan would cost an estimated \$700- to \$900-billion, compared to Bush's plan to spend \$400-billion renovating Medicare.

Critics are unhappy with the president's plan to provide a drug benefit only to those seniors who sign up for HMOs, which would leave those remaining in Medicare paying a high out-of-pocket amount -- or a "stop loss cap" -- before any prescription drug benefit kicked in.

"It appears that the senior who does not opt into an HMO will still not have a very good drug benefit," says Francis Palumbo, director of the Center on Drugs and Public Policy at the University of Maryland. "The stop loss cap could be \$5,000 or \$6,000."

The legislative debates will likely be long and tedious so don't look for any real changes in the near future. It is certain that those who favor a universal prescription drug benefit for Medicare enrollees will not go away.

"Congress should enact a prescription drug benefit that assists all people with Medicare," says Robert Hayes, president of the Medicare Rights Center.

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