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Op-Chart

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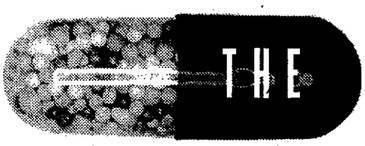

MEDICARE INDEX

Last month, President Bush signed into law Republican-sponsored legislation that adds a prescription drug benefit to Medicare and invests billions of dollars in an effort to lure the elderly away from the government program and into private health insurance plans. Last week, in his State of the Union address, President Bush said the new measure "kept a basic commitment to our seniors." By approving the legislation, the president may have fulfilled a commitment or two, but not to the nation's elderly. Here are some key details omitted from President Bush's speech:

Estimated cost of the Medicare drug bill over 10 years:
$400 billion

Estimated increase in drug industry profits:
$139 billion

Additional government payments to the insurance industry to participate in Medicare:
$14.2 billion

Members of the United States Senate:
100

Members of the House of Representatives:
435

Washington lobbyists who work for the drug industry:
675

Political contributions from the drug industry to Republicans in 2002:
$21.7 million (74% of total)

Political contributions from the drug industry to Democrats in 2002:
$7.6 million (26% of total)

Average elderly American's drug costs in 2002:
$2,400

Portion of his drug costs covered by the new Medicare drug benefit:
45%

Average markup on United States drug prices relative to Canadian drug prices:
45%

Average profit margin of Fortune 500 firms in 2002:
3.1%

Average profit margin of the top 10 drug companies in 2002:
17%

Increase in elderly Americans' Social Security checks in 2002:
2.6%

Average price increase in the 50 prescription drugs elderly Americans used most in 2002:
6%

Retirees with health insurance before Medicare was signed into law:
50%

Retirees with health insurance today:
96%

Medicare administrative costs:
2%

Average administrative costs of H.M.O.'s:
15%

Compensation package, including stock options, for the chief executive of one Medicare H.M.O. in 2002:
$529 million

Number of elderly Americans dropped by an H.M.O. (1999 to 2003):
2.4 million

Political contributions from the insurance industry to Republicans in 2002:
$25.9 million (69% of total)

Political contributions from the insurance industry to Democrats in 2002:
$11.7 million (31% of total)

Number of months after President Bush signed the Medicare bill that it will take for H.M.O.'s to receive more government payments to participate in the program:
3

Number of months after President Bush signed the bill that it will take for elderly Americans to receive a drug benefit:
25

Sherrod Brown, a Democratic representative from Ohio, is the author of "Congress From the Inside." Stephen Doyle is a graphic designer.