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Senate Democrats Wage Fight To Block Medicare Legislation

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WASHINGTON -- A bill to expand Medicare to cover prescription drugs, which survived a weekend cliff-hanger in the House, heads to a showdown in the Senate Monday with irate Democrats waging a last-ditch, uphill fight to stop it.

With President Bush's top domestic priority -- and a linchpin of his re-election effort -- hanging in the balance, White House officials and Republican congressional leaders are pressing hard for quick passage of a bill that would expand the health program for the elderly and disabled, and give private health plans their biggest role in Medicare's 38-year history.

Besides offering a new drug benefit at a cost of \$400 billion over 10 years, the legislation also would increase the availability of private health plans as an alternative to the traditional fee-for-service Medicare program. In addition, it would provide \$25 billion in increased funding for health-care providers such as hospitals and doctors, create tax-preferred health savings accounts for some workers, and set up a pilot project, beginning in 2010, in which Medicare would compete directly with private plans for customers.

Some Democrats, though longtime advocates of a Medicare drug benefit, now oppose the legislation, both because of the bitterly partisan process that produced it and the changes it makes to a popular program defended by Democrats since Lyndon Johnson signed it into law, particularly the privatization provision. Sunday, some threatened a filibuster, a tactic that stopped the Senate last week from passing an energy bill that President Bush backs.

But as many as 10 to 15 of the 48 Senate Democrats, plus Vermont independent Jim Jeffords, could vote in favor of the Medicare bill. Already, Ron Wyden, a relatively liberal Democrat from Oregon, said he could back the measure. And several Democrats who are publicly undecided, such as Sen. Evan Bayh of Indiana, may yet support it. A handful of Republicans are expected to oppose the Medicare bill, including Sen. John McCain of Arizona, Sen. Trent Lott of Mississippi and Sen. Judd Gregg of New Hampshire. They say it is too costly or doesn't do enough to harness market forces in the government program.

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REMAKING MEDICARE



1 • [See full coverage](#)² of the Medicare debate, plus commentary and analyses

• [Read details](#)³ of the Medicare bill.

• [See charts](#)⁴ detailing the projected savings of each state under the proposed plan, and the number of beneficiaries who may stand to lose.

• **The Daily Scan:** [Arm Twisting, Incentives Get Bill Passed in House](#)⁵

Amid persistent troubles in Iraq, the domestic front has emerged as more vital to Mr. Bush's political health than strategists in either party expected just a few months ago. A victory on Medicare has become more crucial to the president since the energy bill was nearly thwarted by a bipartisan filibuster Friday; efforts to lure the two Senate votes needed to revive the bill continue. ([See article](#)⁶)

The Medicare and energy bills are important to satisfying key Bush constituencies and demonstrating Republicans'

ability to govern. The elderly are likely to cast about one-fourth of the votes in next November's election. Providing a new drug-discount card before the election with a law that promises prescription-drug benefits shortly afterward would be a powerful answer to Democratic charges that Republicans seek to undermine popular social programs. That will become especially important if the White House pursues its strategy to make partial privatization of Social Security a central element of Mr. Bush's re-election bid and second-term agenda.

The Medicare bill squeaked through the House on a 220-215 vote early Saturday morning after Republican leaders left open the roll call for almost three hours, rather than the customary 15 to 20 minutes. Mr. Bush himself called a number of House members. The maneuver prompted a furious Massachusetts Sen. Edward Kennedy to threaten to prolong debate, with promises of help from fellow senators and Democratic presidential candidates John Kerry, Joseph Lieberman and John Edwards as well as at least one Republican, Sen. McCain.

But a full-fledged filibuster is a long shot. Senate Minority Leader Tom Daschle said on NBC's "Meet the Press" that his side didn't have the 41 votes needed under Senate rules to prevent the bill's proponents from ending debate. It takes 60 votes to limit debate in the Senate, and Majority Leader Bill Frist has already filed a petition that will be voted on at midday Monday in hopes of completing passage by Monday night or Tuesday.

A NEW MEDICARE?

Details of the Medicare prescription-drug-benefit legislation that passed the House over the weekend, and is awaiting Senate action:

FEATURE	DESCRIPTION
Drug-discount card	Medicare beneficiaries eligible next May for a prescription-drug card, designed to lower costs through group buying of pharmaceuticals.
Drug benefits	Starting in 2006, Medicare recipients can enroll in new benefit for prescription drugs. They pay average monthly premiums of \$35, and a \$250 annual deductible.
	The government pays 75% of costs to \$2,250.
	Government pays 95% of costs after out-of-pocket annual expenses reach \$3,600.
Retiree coverage	Corporations offering qualified drug coverage receive a 28% payment for drug costs between \$250 and \$5,000.
	Payment is tax-exempt.
Private plan and	In 2006, new subsidies are provided to support private health plans competing with Medicare's traditional fee-for-service

Regardless of the outcome of the Medicare vote, the partisan nature of the debate will have a lasting political and policy impact.

Exuberant Republicans say they are poised to deliver a huge win on what has been the Democrats' traditional turf by expanding Medicare to cover drugs.

Democrats, taking a populist line likely to be echoed repeatedly in next year's campaign, maintain that the bill has been hijacked by profit-seeking pharmaceutical and insurance industries who will benefit more than Medicare's beneficiaries, those who are 65 or older or have a disability.

competition	<p>program covering physician and outpatient services.</p> <p>Starting in 2010, as many as six metropolitan areas of the country will be picked for a demonstration program in which cost of private plans will be compared with those of traditional Medicare. If fee-for-coverage costs more, elderly will have to pay more to stay, but any increase is capped at 5% per year in test areas.</p>
Means testing	<p>Beginning in 2007, higher-income seniors earning more than \$80,000 per year will be required to pay higher Medicare Part B premiums for physician services.</p>
Imported drugs	<p>Drugs can be imported from Canada only, and only if the Department of Health and Human Services certifies them as safe, which it has declined to do so far.</p>

Source: Congressional leaders

"Republicans have the power, and with that power slowly has come arrogance," said Democratic Rep. George Miller of California.

Montana Sen. Max Baucus, the lead Senate Democrat in the Medicare talks, said the Republican decision to exclude House Democrats from the negotiations had proved a mistake. Clearly it strengthened the hand of House Minority Leader Nancy Pelosi, who held back Democratic

votes. And Republicans were caught off guard by her ability to keep her ranks together even after the powerful AARP seniors lobby had endorsed the bill.

Amid such polarization, both sides face risks: A senior White House adviser warned that obstructionist tactics would backfire on Democrats, as they did when Democrats were hurt in the 2002 congressional elections after opposing Mr. Bush on homeland-security legislation.

For Republicans the risk is if "the senior-citizen community looks at the bill and says, 'Yuck,' " said Paul Ginsburg, president of the Center for Studying Health System Change, a nonpartisan research group based in Washington. And continuing bitterness over the Medicare vote could disrupt the tentative White House plan to make restructuring and partial privatization of Social Security a central element of Mr. Bush's re-election bid and second-term agenda.

New questions arose about the legislation's cost. Mindful of the need to shore up conservative support, the administration has refused to release its own cost estimates, which run considerably higher in some cases than those of the Congressional Budget Office. CBO, for example, assumed that the new private insurance plans, which are promised subsidies and higher reimbursements, will cost about \$14 billion over the next 10 years. Preliminary estimates by Medicare's own actuaries run closer to \$30 billion to \$40 billion. The actuaries' estimates are higher because they assume that a relatively high number of people will switch out of the government-run program. Once in a private plan, seniors in some cases would be able to get rebates on their premiums that would be paid by Medicare.

Some Democrats may end up voting for the final bill, in part because of its extra subsidies for low-income seniors and sweetened payments for hospitals and doctors. In contrast to fellow Californian Ms. Pelosi, Democratic Sen. Dianne Feinstein said on the floor Sunday that she would support the legislation -- even though "it's certainly not a perfect bill" -- because it provides drug coverage to 351,000 low-income Californians who now lack it and would increase payments to California hospitals.

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