

Eshoo Opposes Medicare Proposal

November 22, 2003

Eshoo Opposes Medicare Proposal

November 22, 2003

Washington, D.C. -- Rep. Anna G. Eshoo voiced her strong opposition to a Medicare proposal which she said will undermine the current system and raise costs on seniors. The bill passed by a vote of 220-215.

"For the first time in years, Congress had a great opportunity to reform Medicare for the 21st century," said Eshoo, D-Palo Alto. "But the legislation before us tonight dramatically weakens Medicare as we know it, fails to provide the affordable coverage so badly needed by our nation's seniors, and doesn't address the costliness of prescription drugs in the country."

Specifically, the bill:

- Privatizes the Medicare program in 2010. The legislation offers up to 35% subsidies to private HMOs to compete against Medicare, costing billions and allowing them to cherry-pick the healthiest seniors away from Medicare. Those left behind will be stuck with higher rates for the same benefits they receive today.
- Leaves millions of seniors without drug coverage for part of the year. The bill includes a huge \$2800 gap in drug coverage that will leave millions of seniors without any help in paying for their drugs for part of the year, even though they will have to continue paying monthly premiums.
- Undermines prescription drug coverage for retirees. The bill provides disincentives for employers to retain retiree coverage. Most estimates are that 2 to 3 million seniors, including a quarter million in California that could lose this valuable coverage. This represents a transfer of the financial burden from the private to the public sector.
- Specifically prohibits Medicare from using the purchasing power of millions of beneficiaries to negotiate for lower drug prices. Everyone from Wal-Mart to the Veteran's Administration has this power to negotiate lower prices.

"Today's seniors built this nation," Eshoo continued, "raising its families, fighting wars and paying their taxes. This bill doesn't honor their contributions. Rather, it ignores them and their needs."

##