



IDEAS & OPINIONS

Don't gamble with Medicare

By DR. MARC SIEGEL

Now that Congress is back in session, one of the big battles will be over Medicare — whether to privatize it, whether to extend its coverage to prescription drugs. The Bush administration's approach on both issues is to add competition on the theory that it will drive prices down and save health care dollars.

In fact, it would be like handing the elderly a pile of casino chips and giving them the choice of which games to play — blackjack, roulette or craps. Some would go home with more money, but many would wind up broke. Either way, health care businesses would get rich.

Like casinos, the HMOs and drug companies do not respond to the law of supply and demand. Instead, they use marketing schemes to convince people the inflated prices they charge are justified.

Competition hasn't reduced health insurance premiums for working Americans or the cost of medications — just the opposite. Many patients aren't getting the comprehensive care that HMOs promise them despite increasing premiums. And many prescription drugs are not affordable to the working class. This is not what happens in Western European nations like Germany and Sweden, where governments negotiate on behalf of their populations, using their sheer size as a wedge so they can refuse to pay higher prices.

As the federal government restructures Medicare, it should apply the same strategy and tell the drug companies: If you want to do business with the new Medicare, these are the prices. Only when the government exerts pressure will health care costs begin to decline.

The Bush administration wants to go the opposite way and bring more private companies into Medicare, giving aging patients who already are confused by too many choices even more choices.

In seeking to attract elderly customers, HMOs will no doubt promise to deliver the all-encompassing care that they aren't delivering to the middle class. The standard Medicare that people worked all their lives to support is bound to look paltry next to the new alternatives.

But the elderly will soon discover the problems of HMO bureaucracy will be compounded for them. They tend to have more health concerns, and it's not hard to predict that each concern will quickly be wrapped up in the red tape of approvals and denials.

If President Bush persuades Congress to privatize Medicare, he will expand the problem, not its solution. If, instead, the feds remain in control of Medicare, they can set prices as the cost of participation.

This is the least our elderly deserve — to pay the same price for health care as people in the countries they helped save during World War II.

Siegel is a professor of medicine at New York University Medical Center.