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**U.S. Representative**

***John Spratt***

South Carolina ■ 5th District

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**News Release**

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**Spratt Votes to Add Prescription Drug Coverage to Medicare**  
*Congressman Calls Republican Alternative "Unaffordable and Unworkable"*

**WASHINGTON — U.S. Rep. John Spratt (D-SC) voted Wednesday for a Democratic plan to add prescription drug coverage to Medicare. Spratt called an alternative drug plan passed by House Republicans the "wrong medicine" and warned that it "won't cure the problem."**

The Republican plan barely passed the House, 217 to 214, with ten Republicans voting against it, including Rep. Mark Sanford (R-SC) and Rep. Greg Ganske (R-IA), a doctor. The bill now goes to the Senate, where its future is uncertain.

Under the House Republican bill, the government would pay subsidies to insurance companies to encourage them to sell insurance covering drug costs of Medicare beneficiaries. Premiums and benefits could vary from one plan to another.

When the Republican plan was first proposed in February, Charles N. Kahn, President of the Health Insurance Association of America, called drug-only private policies an "empty promise," saying, "I don't know of an insurance company that would offer a drug-only policy like this or even consider it." Kahn repeated his concerns two weeks ago, saying "the concept of so-called drug-only private insurance simply would not work in practice."

By way of example, Spratt said that a widow making \$13,000 a year, with drug costs of \$4,800 a year, would still have to pay \$4,194, or 87% of her drug costs, out of her own pocket under the Republican bill:

Premium	\$ 37 per month (\$444 per year)
Deductible	250
Half of first \$2,100 in drug expenses (Insurance pays other half)	1,050
Remainder of widow's drug expenses	2,450
TOTAL	\$4,194

Under the Democratic plan, premiums and benefits would be the same for all beneficiaries in all parts of the country. Premiums would be \$25, compared with \$37, there would be no deductible, and maximum out-of-pocket costs would be held to \$4,000 a year instead of \$6,000.

Beneficiaries would pay 50% of the cost of their prescriptions up to \$2,000.

“The Democratic plan is just plain more insurance, and it’s also more affordable and more available,” said Spratt, “because coverage is provided by Medicare rather than private insurers.”

To meet the needs of older Americans, Spratt said a prescription drug benefit should:

- be voluntary but available to all as part of Medicare;
- be affordable to most but include help to anyone who cannot afford the premiums or co-payments;
- use the market power of the millions who are covered to bargain down the cost of prescription drugs;
- provide equal coverage for all beneficiaries in all parts of the country; and
- be open to local pharmacists to participate, and not just mail order pharmacies.

Spratt said the Democratic plan, which he sponsored and supported, met all of these criteria. The Republican plan, on the other hand, would offer different benefits with premiums and cost-sharing requirements varying from place to place.

Martha McSteen, of the National Committee to Preserve Social Security and Medicare, said, “The Republican bill’s dependence on private insurance provides seniors with no standard or dependable drug coverage and no guarantee that the insurance companies will offer prescription drug policies in all areas of the nation at affordable prices.”

Spratt is the Ranking Democrat on the House Budget Committee, and his budget resolution for fiscal year 2001 paved the way for prescription drug coverage by setting aside funds from the surplus to pay for the cost.

Spratt called prescription drug coverage “an idea whose time has come,” particularly in view of the budget surpluses. “When the House started the debate over prescription drugs,” he said, “one thing was not subject to debate, and that’s the need for Medicare coverage. There is a clear and pressing need, all over the country. Millions of Americans simply can’t afford the medicine their doctors prescribe for them.

“There was also no debate,” he said, “over who has the better proposal. Democrats have a plan that offers everybody better coverage, at lower cost, with out-of-pocket protection at a reasonable level. That’s why the House Republicans blocked us from presenting our proposal as a substitute to theirs on the House floor. They knew that we would win the debate, not only in the House of Representatives but in households across America. They blocked our bill this time, but in the end, I am convinced we will prevail.”

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