

Enemies: Medicare initiative enriches rich, hurts poor

By Chris Thierfelder
Special to Sentinel-Voice
MINNEAPOLIS (NNPA) - President Bush recently signed into law the most sweeping changes in the Medicare program since its inception, which, if not altered, will significantly change how we care for our senior citizens from now on.

When the new legislation is enacted, beginning in 2006, older Americans will be faced with a dramatically different way of paying for their health care, while younger Americans will be left to wonder what the future holds for their eventual retirement.

The Bush administration and the American Association of Retired Persons (AARP) have been publicly heralding the changes as, in the words of AARP CEO William Novelli, "an important milestone in the nation's commitment to strengthen and expand health security for older Americans."

Critics, on the other hand, have been denouncing the changes as undermining the traditional purpose of Medicare.

What is clear is that for African-American seniors - six in 10 of whom live below or near the federal poverty level - the new legislation contains a fair share of potential pitfalls.

Parsing through the mammoth document is no trivial

task, which is why so few of the claims made by supporters are challenged in public forums. Congressman Martin Sabo, a Democrat who voted against the bill, described it as "a large, complicated, very confusing bill... it's hard to know how it will be implemented."

The bill is simply too tremendous in size and Byzantine in its language for the average senior citizen to determine its true effects.

Novelli says his primary reason for supporting the bill is because "it will provide important prescription drug coverage and financial relief for millions of current and future Medicare beneficiaries."

However, a thorough reading of the bill suggests that African-American seniors may wind up with less coverage than they currently have. Under the current system, low-income seniors qualify for Medicaid to help defray drug costs. Under the new law, seniors who opt into Medicare would be dropped from Medicaid's coverage of prescription drugs.

While the AARP stresses that the new plan is voluntary, they neglect to mention a few "voluntary" caveats. While seniors do not necessarily have to sign up for the new coverage, if they do not sign up within the first six months of the enrollment pe-

riod, a premium penalty will be added of at least 1 percent per month after that initial period.

Once inside the system, seniors will pay an estimated \$35 monthly premium, and an annual \$250 deductible. These figures are estimated by the Congressional Budget Office (CBO) to rise to \$53 and \$445 respectively over eight years.

Medicare mandates that 25 percent of the cost of drugs up to \$2,250 will be covered. Then, for annual drug costs between \$2,250 and \$5,100, the beneficiary will pay 100 percent of the costs.

Simply put, poor seniors may pay more under the new law than they did under the former system, because they must now spend \$3,600 in annual drug costs before the substantial parts of the Medicare coverage begin.

Minnesota Medicaid Director Mary Kennedy said, "People below 150 percent of poverty will get a pretty good benefit, but you not only have to be low-income, but there's also an asset test, which is an unusual feature. You have to have assets which are relatively low. The issue is that for people above 150 percent of poverty, the benefit will be disappointing."

In addition, seniors are forced to first evaluate private HMOs in their area for

their Medicare coverage. The federal government is providing over \$14 billion in incentives to HMOs to cover seniors under the new Medicare rules. This money is in addition to the money paid by the seniors in monthly payments, deductibles, and of course, standard health care costs.

"These policies currently don't exist," noted Congressman Sabo, "I called all over looking to find where to go to get a policy, and they haven't been written yet." The incentives are to entice insurance companies to create the plans for seniors to buy.

Seniors who might have bought "Medigap" coverage under private insurers in order to pay for medicines and treatments not covered in their providers' formularies (list of covered drugs) will now be unable to do so because private insurers are strictly forbidden from selling supplemental insurance. The effect of this will be that seniors will have to closely evaluate each provider's formulary before committing to a plan.

"You'll see more marketing from HMOs and insurance companies of drug benefits. Consumers are going to have to do a lot of research," said Kennedy, the Minnesota Medicaid official.

Under the new law, seniors are only allowed to

change plans once per year, during a specific enrollment period. If the plan a senior chooses does not cover required medication, that person cannot move to another provider. Instead, he or she must pay full price for non-covered prescriptions.

It is important also to note that no provisions were made to contain the costs of drugs. Drug costs will continue to rise, and as they do, consumers will be required to pay more for their Medicare drug benefits.

For example, the CBO estimates that by 2013, consumers will go from having to pay \$3,600 to nearly \$5,000 for their required share, as drug costs will also be projected to rise during that time.

"There were provisions in the original bill that would have helped to control drug cost," said Sabo, "...without them, it jeopardizes future sustainability."

The pharmaceutical industry lobbied very hard to prevent any sort of price controls or to allow negotiation of lower prices. In 2003 alone, they spent \$79 million on federal advocacy, and there are now six drug lobbyists for every senator in Washington.

While the Medicare discussion has focused on seniors, attention should be paid to a little-discussed provision detailing how Medicare will be financed. Currently, Medicare is financed from payroll taxes, premiums paid by beneficiaries, and general tax rev-

enues.

Under the new provision, if Medicare managers determine that general revenues account for more than 45 percent of the total cost, Congress is required by law to either cut benefits or raise payroll taxes.

Payroll taxes are disproportionately paid by the poor and middle class, so as drug costs continue to skyrocket, it is reasonable to assume that the long-term solvency of Medicare itself will be difficult to sustain, as the brunt of its costs will be borne by those least able to afford it.

In an overhaul of a federal program of this magnitude, one can expect winners and losers.

Further, when tinkering with federal entitlements, the first product of efforts is often, as the AARP puts it "not perfect."

What is striking about this legislation, however, is the degree to which those who are supposed to benefit from it tend, on balance, to come out poorer in the end. Indeed, pharmaceutical companies, HMOs, and health care providers benefit far more than most senior citizens, especially African-Americans who rely disproportionately on Medicare.

While the AARP suggests that this is "a good start," it is left to seniors to wonder what the end will be.

Chris Thierfelder writes for The Minnesota Spokesman-Recorder.

Malcolm X

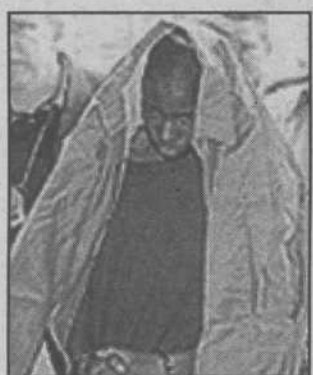
(Continued from Page 4)

all charges. She listed the charges as "assault on staff, refusing a direct order and a movement violation, meaning, they told him to go into his cell and he refused."

For that, he received 120 days of disciplinary housing, which means he will be confined to his cell until April 17. During this period, he will also lose privileges for phone and commissary, officials say.

Malcolm's release date is set for June 29, 2005. But, Foglia says another penalty might be the loss of four months "good time," meaning that 120 days could be added to his scheduled release date. This decision is not definite, pending a review of his status and conduct to take place in April 2005.

Kuby says he will appeal the decision of hearing officers, saying that in such setting inmates are not allowed to call witnesses or have a lawyer present. "The prison courts are mock courts," the



MALCOLM SHABAZZ

lawyer says. "I know these charges are bogus."

He says he will push for a transfer as soon as possible.

"With a maximum of two years left on his sentence and a good institutional record, his placement at Great Meadow seems difficult to justify," Kuby says in his letter to Goord, the commissioner of correctional services.

Foglia says Malcolm's disciplinary history has been minor. She cited three previous infractions, mainly involving not being where he needed to be when inmates are counted.

Malcolm deals with prison

life by studying the Bible, the Qur'an and other books, Shabazz says, "So he's strong."

She says he reads a lot, helps other inmates with their cases and has tried to ease friction between prison gangs by teaching inmates to respect one another's cultural heritage.

"He's someone who's compassionate. And you don't want that of people in jail; and especially not of Malcolm's grandson."

Malcolm X became a voracious reader in jail and dedicated his life to the Nation of Islam upon leaving prison in 1952.

All of his young life, Malcolm, the grandson, has lived in the shadow of his grandfather's legacy, which stretched from militant Black activism to an enlightened, more tolerant activist as El-Hajj Malik El-Shabazz upon his return from a pilgrimage to Mecca in April 1964.

Shabazz says the harassment of Malcolm increased recently after he got publicity for a letter he wrote to

human rights activist Yuri Kochiyama, an associate of Malcolm X, who, along with his wife, tried to give the slain leader mouth-to-mouth resuscitation as he was dying from gunshot wounds at the Audubon Ballroom in 1965.

"I guess they're just trying to break him down further."

But, instead of breaking down, she believes her nephew is growing stronger. Reading from his letter to Kochiyama, which was published in the Nation Time, a publication edited by Iyalua Ferguson, she says: "I was once deaf, dumb and blind and the paths that I have crossed led to my awakening. I will now shine the light for others. I do agree that we need a great leader to step forward. Many people ask where are the next Malcolms? And the currently publicized leaders will make the great impact like those of the past. I do believe, however, that someone will step forward soon. That leader is in the making now, and he'll be here on time."

Get Professional Looking Hair Styles

January Special
FREE HAIR TRIM
with any chemical treatment



Supervised Student
Services In A Salon
Atmosphere ... Without
Salon Prices

OPEN ENROLLMENT
CALL FOR CLASS SCHEDULES
FINANCIAL AID AVAILABLE

eXpertise

School of Beauty

Open 9:30 am to 3:30 pm Tues. thru Sat.
902 West Owens (Nucleus Plaza)
636-8686