

MEDICARE

Prescription drug benefits for Medicare recipients have been a forefront issue for both presidential candidates Vice President Gore and Governor Bush. While both candidates have put forth proposals to add a Medicare prescription drug benefit, the proposals are completely different. Gore proposes simply adding prescription drugs as a benefit in the current Medicare program. Bush proposes adding prescription drugs in the context of reforming the entire Medicare program.

Support for a prescription drug benefit in Medicare is overwhelming among Americans. Findings from the 1999 Health Confidence Survey suggest that 72 percent of Americans favor adding a drug benefit. In contrast, far fewer agree on other forms of Medicare reform, and support is weakening for some types of reform.

Strong Support for Surplus and Defined Contribution Plans

According to findings from the 2000 Health Confidence Survey, many Americans support using the federal budget surplus to pay some of the costs of Medicare and allowing defined contribution health plans (defined in the survey as allowing Medicare beneficiaries to choose from many private health plans, where the government contributes a fixed amount to the cost of the plan).

- 75 percent favor (strongly or somewhat) using the federal budget surplus.
- 74 percent favor allowing the use of a defined contribution approach.

While support for use of the surplus and defined contribution health plans is as strong as it was in 1999, support for other types of Medicare reforms is weakening. Specifically, support for cutting benefits, means testing benefits, and reducing payments to health care providers fell between 1999 and 2000 (table 1).

Table 1
Most Americans Choose Budget Surplus and Defined Contribution Plans Over Benefit Cuts

	1999	2000
	(Percentage of Population Favoring Medicare Changes)	
Using the budget surplus to pay some of the costs of Medicare	72%	75%
Allowing Medicare beneficiaries to choose from many private health plans, where the government contributes a fixed amount to the cost of the plan	74	74
Requiring seniors with income above \$50,000 to pay higher Medicare premiums	61	54*
Reducing payments to doctors and hospitals for treating people covered by Medicare	61	53*
Increasing the amount Medicare recipients pay when they receive care	36	31*
Increasing payroll taxes for current workers	33	29*
Increasing the Medicare eligibility age to 67	27	26

Source: 2000 Health Confidence Survey

* Significantly different from 1999 at the 5 percent level.

Confidence in Health Care Once Eligible for Medicare Is Extremely Low

Table 2
Confidence in Various Aspects of Health Care Once Eligible for Medicare

	Extremely or Very Confident	Somewhat Confident	Not Too or Not At All Confident
Able to get needed treatments	20%	40%	38%
Able to afford prescription drugs without financial hardship	17	31	50
Freedom to choice provider	15	36	46
Able to afford health care without financial hardship	14	34	49

Source: 2000 Health Confidence Survey

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