

CONTENTS

How Part D Came to Be

BY SAM JAFFE

Once upon a time there was a government program that was designed to pay for the medical cost of the nation's senior citizens. Born in the midst of social activism and optimism in 1965, the plan successfully insured millions of the most vulnerable and poorest patients.

Unfortunately, there's no fairy-tale ending to this story. The legislation, which included Part A, succeeded in solving the healthcare crisis of the era of its birth: high hospital costs. Part B, which paid for drugs given by doctors in hospitals or clinics, was also included in the 1965 law. Back then, prescription drugs were for the most part an afterthought to medical care. A task force appointed by President Lyndon Johnson recommended adding prescription drug coverage in its 1969 report, but by then, Richard Nixon had taken over the presidency and had little interest in prescription drug reform.

While Medicare Part B has been a godsend for most Medicare patients with cancer (almost all chemotherapeutics are covered by Part B), it didn't go far enough. More and more senior citizens were becoming overwhelmed with their prescription drug bills. And many older inpatient therapies, from diabetes management to antibiotic regimens, have been replaced with pills.

The Medicare Catastrophic Coverage Act of 1988 was the first substantial expansion of Medicare since the program's creation. Coverage of prescription drugs resulted in a substantial increase in the cost of Medicare, which added to the Act's numerous problems. Because of a public campaign, Congress repealed the majority of the law's provisions, including the prescription drug benefit. New attempts during the Clinton administration failed to gain support, and it wasn't until the new millennium that increasing drug costs and unequal access to coverage caused lawmakers to take a fresh look at creating a Medicare drug benefit.

The Bush administration made Medicare reform a priority, and after the 2002 Congressional elections, the Republican-controlled legislative and executive branches were in a position to carry out that agenda. A push for reform was also brought on by findings that drug companies were overcharging Medicare.

After a period of political bargaining, the Medicare Modernization Act narrowly passed the House (220-215) and Senate (54-44) and the Act was signed into law on Dec. 8, 2003. Along with the addition of the prescription drug program, it overhauled some of the coding that doctors use for reimbursement and reformed the administrative structure of the Centers for Medicare and Medicaid Services.

Now a few months into the new program, implementation continues to be the

challenge. Glitches at the first of the year temporarily left many seniors without access to benefits at the pharmacy and some are paying more for prescription drugs with Part D than with their previous plan. But as this most recent Medicare experiment nears the May 15 enrollment deadline, patients and lawmakers are hoping for favorable results.