

Medicare plan makes further separates rich and poor

By James Wright
MINNESOTA SPOKESMAN

MINNEAPOLIS — 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. U.S. Rep. 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 period, 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 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 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 revenues.

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.

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Family: Move Malcolm's grandson

By Hazel Trice Edney
NATIONAL NEWSPAPER
PUBLISHERS ASSOCIATION

WASHINGTON — The lawyer and family of Malcolm Shabazz, the 19-year-old grandson of civil rights martyr Malcolm X, say they are requesting that he be transferred out of an upstate New York prison after he was allegedly beaten and harassed by prison guards.

"We have investigated it to the extent that we are able and we've concluded that there was an assault on Malcolm by prison guards," says Ron Kuby, the New York City lawyer representing Malcolm. "What people need to understand is that this is happening to Malcolm Shabazz because of who this young man is...It seems fairly clear that a number of White corrections officers view Malcolm with great hostility because of his Islamic faith, his heritage, and the fact that he's within their grasp. It has been a persistent problem, but this is the worst that it's been to date."

Kuby has sent a letter to

Glenn S. Goord, commissioner of the New York Department of Correctional Services, asking that Malcolm be transferred out of Great Meadow Correctional Facility, a maximum-security facility, five hours from New York City, to a lower security facility closer to home.

"I think Malcolm would profit from more extensive interaction with his family," the December 22 letter from the lawyer states. "We are looking towards the possibility of placing him in an out-of-state residential educational program that has achieved remarkable results with troubled youth."

Malcolm's aunt, Ilyasah Shabazz, of Peekskill, N.Y., the daughter of Malcolm X, with whom the teenager lived for much of his life, says she visited him the day after Christmas.

"I saw his lip was busted and a lot of his arm had like punch marks and then scratches and stuff...He was beaten up. He was beaten up," Shabazz said.

Shabazz and Kuby say the injuries are not serious, but

the harassment has been consistent.

"They're trying to break his spirit," Shabazz charges. "He has become more and more focused. He has used the time there very wisely, with the reading and going deeply inside of himself, becoming spiritually grounded and trying to understand who he is and what everything is around him."

The teenager, convicted of second-degree attempted robbery in Middletown, N.Y., has been serving a three-and-a-half year sentence at Great Meadow. The attempted robbery arrest came five years after he confessed to setting the 1997 fire that killed his 61-year-old grandmother Betty Shabazz, Malcolm X's wife, in her Yonkers, N.Y. apartment. Then 12, young Malcolm pled guilty to setting the blaze and served four years in several juvenile institutions. He says he never meant to hurt his grandmother.

Linda Foglia, a spokeswoman for Great Meadow, denies that Malcolm was beaten.

Jobs, education top concerns

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Mississippi, says the GOP faces an uphill battle.

"The Republican Party is going to have to build up some credibility in the black community and quite frankly, most Republicans don't have credibility in the black community," says McLemore. "They have not had a consistent policy dealing with the African American community, so this is a kind of hit and miss operation."

Campbell says the Unity '04 campaign goal is to increase the black vote to at least 5 percent higher than the 53.5 percent of the

turnout in 2000. According to the NCBCP, the black vote has not been at 58.5 percent since 1964, the year that Congress passed the Civil Rights Act, which expanded the federal government's role in protecting the rights of blacks and other people of color.

The nine Democratic presidential candidates have participated in a string of debates, but have largely focused on foreign affairs, such as the war. Campbell says Unity '04 will hold issue forums, town hall meetings and candidate debates with specific focus on issues that black voters want to hear.

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