

Eye on Washington by Nicholas F. Benton

Dr. Otis Bowen condemns the elderly

Most analysts considered generous and liberal a proposal by Dr. Otis Bowen, Secretary of Health and Human Services, to provide "catastrophic insurance" for the nation's elderly. But Dr. Bowen's briefing on the policy to the White House press corps here Feb. 12 showed that nothing has changed in the administration's brutal fiscal assault on the poor and elderly.

Bowen's plan, which President Reagan endorsed over two other, more austere options put forward by his Domestic Policy Council, offers the nation's 35 million persons over 65 and eligible for Medicare the option of broadening their Medicare coverage for an extra \$4.92 a month.

The insurance add-on would cover virtually every health care cost above a \$2,000 per year cap—relieving the threat that a high medical cost not covered by Medicare will push people into economic ruin.

Admittedly, this will help the 1.5 million elderly who do require more than \$2,000 in non-Medicare treatment annually. But don't read it as a warming of the administration's cold-blooded approach.

The plan was devised in the face of congressional determination to pass a more comprehensive program this year, and is "revenue neutral," i.e., it represents no federal budget expense. The cost of the premiums is indexed

to the annual inflation rate for health care costs (about 10% per year, compared to an alleged 1.1% inflation rate for the overall economy in 1986). It replaces innumerable "Medigap" policies of private insurance companies.

Sins of omission

More significant is what the Bowen proposal leaves out.

- It does not cover medical expenses until they top \$2,000. For many elderly Americans on fixed incomes, \$2,000 in medical bills is more than they can afford.

- It does not cover anyone under age 65, some 35 million of whom have no medical insurance, and another 10 million of whom have inadequate insurance. Bowen proposes a number of measures aimed at dumping this problem onto state or local entities, including one to encourage states to pass laws requiring all employers to provide insurance.

This approach is similar to the *Up from Dependency* report on welfare reform released by the administration earlier in the week. Of the three large, slick volumes, one is a 700-page "Self-Help Catalogue" listing local programs that the government hopes will substitute services or employment for welfare payments in coming years.

It was pointed out that dumping welfare programs onto states will lead to wide discrepancies in the quality of programs available. Some states will be saddled with disproportionate burdens as the needy migrate from states with less aid, to states with more.

- It does not provide for long-term care. Bowen admitted that polls show two-thirds of people on Medicare still incorrectly believe that Medicare covers the costs of nursing homes or home-care services. It does not; "catastrophic coverage" will not either.

Such costs, for persons requiring long-term care, average \$22,000 a year. The nursing-home industry rakes in \$32 billion a year, 50% paid by Medicaid (available only to the poor, or those made poor by selling off all their assets to pay these bills first), and only 1.5% of which is paid by private insurance companies. The rest is paid out-of-pocket by the elderly and their families.

Bowen said that he favors a tax-free Individual Medical Account (IMA) policy to help pay for this need, run in coordination with a private insurance company. By putting in \$1,000 a year, an elderly person would be entitled to coverage for two years of nursing-home costs. This would work, he said, "because 82% of individuals in nursing homes are not there after two years." Of course not: They die in the meantime.

What Bowen did not say is that such an IMA program would undoubtedly entail a clause requiring participants to sign a "living will," agreeing to the withholding of all life-saving medical treatment once the individual entered the nursing home.

- The program comes under the existing fiscal restraints of Medicare, which includes requiring patients to be treated at "health maintenance organization" (HMO) facilities, rather than by specialists, and restricts the number of days allowed in the hospital.

The single most evil thing Dr. Bowen did was to blame the high cost of health care on the elderly, the lie which invites the policy of euthanasia embodied in the "living will." Rather than citing the real factors, skyrocketing malpractice insurance, debt service on hospitals, etc., he attributed rises in health care costs to the growth in the number of persons over 65, and to high-technology treatment, which in fact lowers health care costs.