

# Massachusetts Chief Joins Effort on Drug Insurance for Elderly

NY Times 8 JULY 1999

By CAREY GOLDBERG

BOSTON, July 7 — It may be the hot political issue of the moment in Washington, but from here, the Federal Government's rising debate over coverage of prescription drugs for the elderly looks a bit late, a bit leisurely.

The Massachusetts Legislature, dominated by Democrats, has been grappling with the issue for months, and this week Gov. Paul Cellucci, a Republican, jumped in with his own plan for a state-run insurance program that would offer a form of drug coverage to all the state's elderly citizens.

"We don't feel that we can wait for Federal action," said State Representative Harriette L. Chandler, the House chairwoman of the Legislature's Joint Committee on Health Care. "We have seniors who are in all forms of real crisis at this point. We have people who are cutting their prescriptions in half, we have people skipping days and people who haven't been filling prescriptions. They really do exist."

The urgency has grown out of unusual circumstance: Massachusetts had been the only state to require health maintenance organizations to offer elderly members the option of full prescription drug coverage. But that law was overturned in Federal court, and though the state's H.M.O.'s have been slowly phasing out the drug coverage, thousands of members already face problems paying for their medications.

But Massachusetts is not the only state that has long been pursuing a solutions to such drug costs. In recent years, 13 other states have passed various programs to help the elderly pay for prescription drugs,

mainly focused on low-income people who do not qualify for Medicaid.

And in recent months, more than half the state legislatures have examined bills on the issue, according to the National Conference of State Legislatures. In several states proposals have passed at least one chamber. Proposals have ranged from drug discounts to adding people to state-subsidized programs.

In Massachusetts, one lawmaker proposed a bill, now in committee, that would empower the state to negotiate with drug manufacturers for discounts on medications for all its citizens, not only the elderly; another proposal would let all elderly people receive the same group rate for their medications as state employees receive under their insurance plan.

"We're talking about things we never thought we'd be talking about," Ms. Chandler said, but "prescription drugs have increased 15 to 20 percent a year, and that kind of spiral you can't afford to continue in for very long."

All the talking crystallized here into two main proposals, one by the House of Representatives and one by the Senate. The two plans differed in dollar amounts and various provisions, though both would expand the pool of elderly eligible for state aid in buying their prescriptions as well as the amount of aid they could receive. Both also called for using a small amount of the billions of dollars that Massachusetts expects to receive from tobacco companies in the settlement of suits to recover money spent on smoke-related illnesses.

When Governor Cellucci announced his own plan on Tuesday, he called it a compromise between the House and Senate versions. In fact,

however, analysts say it is a whole different entity, though it would use some of the tobacco money, because it entails not merely state subsidies but also a state-run insurance program that any elderly person could join.

For a premium of about \$54 a month — less or nothing for the poor — enrollees would get unlimited coverage for prescription drugs, though with co-payments, and after paying a deductible of \$750 a year for the elderly whose income is 150 percent of the Federal poverty level to \$1,500 for those better off. The proposed co-payments would range from \$8 to \$35, depending on the type of drugs. The enrollees would also receive an estimated 22 percent discount on all drugs.

The plan would begin in January and last either two years or until the Federal Government enacted its own drug coverage plan, whichever came first.

"We recognize there's a crisis and we're willing to step up to the plate," said State Senator Richard T. Moore, the Senate chairman of the joint committee.

Governor Cellucci's plan appears to be generally drawing high marks, but not everywhere. Alan Sager, a

Boston University health care economist, said today that making such a drug-coverage plan voluntary, as both Governor Cellucci's and President Clinton's proposals would, amounted to a financial "death sentence."

"You get into adverse selection," Mr. Sager said, "because prescription drugs are the single most predictable expense in health care." Thus, the sickest people are likely to enroll, he said, and the healthier people needed to make the plan financially viable are not.

Lawmakers also raised objections, including that it did not provide enough help for the disabled and moderately poor elderly. Questions also remain about whether the incentives it provides younger, healthier elderly people to sign up, like a planned 10 percent discount on their monthly premium, will be enough.

But over all, said Geoff Wilkinson, executive director of the Massachusetts Senior Action Council, which has staged two drug-coverage rallies at the Statehouse here in recent months, "There's a lot to like about the Governor's plan."

"Congress would do well to take a look at what's going on here," Mr. Wilkinson said.