A sham about drugs
By Kate McKiernan

While the public is dragged into a discussion about what John Kerry and George W. Bush did or did not do during the Vietnam War, we forget about what is happening in the here and now. This is a clever trick to distract us from what the real issues of this election are. Both parties are engaging in this debate, and I hold them both liable for straying away from the issues that actually matter to me.

One of these issues is Medicare. Now that the Medicare prescription-drug bill has passed, everyone is acting as though the issue is over and done with, believing that we have protected our seniors. This assumption is far more dangerous to our country than Bush going AWOL or Kerry tossing away his battle ribbons. In Iowa alone, the drug-cost burden (the average share of income spent on prescription drugs) increased by 55.9 percent from 1998-2002, making the situation worse here than in most other states (according to the Health Reform Project at the Boston University School of Public Health). Iowa has more than half a million citizens lacking prescription-drug coverage (approximately 19.5 percent of its population), and many more with very limited prescription coverage.

How will the Medicare bill help with this? It does not place any restriction on the price of drugs (manufacturers raised the base prices of their drugs in anticipation of "discount" cards). The cost of premiums, deductibles, and co-pays are tied to drug prices, which means they are set by the drug industry, not the government or even the insurance agencies. In addition, the insurance doesn't include year-round coverage. While paying $35 a month in 2006, the coverage will kick in after you spend $250 out of pocket. Then, it will pick up 75 percent of prescription costs, but only until costs reach $2,250. At this point, the program stops paying benefits. This period is called the "doughnut hole." While in the doughnut hole, you still pay the monthly premiums, and it is illegal to get a supplemental policy that would cover this hole. At $5,100, the coverage pick up 95 percent of the costs for the rest of the year.

The Health Reform Project estimates that "61 percent of Medicare's prescription-drug subsidy will be windfall profit to drug makers." Furthermore, "taxpayers will give an estimated $139 billion in undeserved new profits to drug companies over an eight-year period."

The industry hardly needs it, being the most profitable in America. It has spent $650 million on lobbying and politicians since 1997. It worked. Our own Charles Grassley added an amendment to the bill to prohibit Medicare from bargaining with the drug companies for lower prices. Canada does it. The Department of Veterans Affairs does it. Why should Medicare be different? The buying power of 40 million Americans should be a force to contend with; but instead of requiring Medicare to negotiate, we have prohibited it. The VA only negotiates on behalf of 25 million and gets the best drug prices around.

Drug companies must lower their prices. Perhaps they have forgotten the basic laws of supply and demand, but if they charge less than the extraordinary prices they currently charge, more people will buy, and it will be enough for them to make money. Such elective drugs as allergy medications and Viagra - drugs that treat annoying but not life-threatening problems - would become a lot more popular if they were affordable.

If drug companies won't do it on their own, the government should either make them do it or foot the bill. It should put Medicare in charge of the negotiating table, not the drug companies and HMOs. If drug companies can make a profit selling name-brand drugs to Canada at a significant discount, they can make a profit selling them to Americans at the same price. (It is estimated that Americans would save $60 billion in 2004 alone if they paid Canadian prices for these drugs.)

Candidates may be able to distract the media from the issues of the campaign with sound bites and bickering, but not for long. After all, there's a saying in Texas: "Fool me once, shame on - shame on you. Fool me - you can't get fooled again."