

# Medicine & Health

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## Low-Income Medicare Beneficiaries

### NEW PUBLIC, PRIVATE INITIATIVES WILL ENROLL MORE IN DRUG CARD

After months of pressure from low-income and senior advocacy groups and congressional Democrats, the Bush administration announced September 22 that beneficiaries enrolled in Medicare's low-income assistance programs will now be automatically enrolled in the new prescription-drug discount card. These 1.8 million new card enrollees — who will be assigned cards randomly and receive them in the mail — can then get access to \$600 each in federal assistance for 2004 and another \$600 for 2005 by making one phone call.

Following the Centers for Medicare and Medicaid Services' announcement of this greatly simplified process for enrolling beneficiaries in the so-called transitional financial assistance, the private-sector Access to Benefits Coalition September 23 unveiled two additional sources of enrollment assistance for low-income beneficiaries: A new nationwide network of locally based ABCs will conduct outreach, and an extensive new Web tool will enable beneficiaries and those assisting them to quickly locate and sign up for the most advantageous Medicare drug-discount card and other assistance programs.

There are about 7 million Medicare beneficiaries whose incomes make them eligible for the \$1,200 in total transitional financial assistance.

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## In Medicine & Health Perspectives this week ...

### PAYMENT, THE UNINSURED LOOM LARGE IN SPECIALTY-HOSPITAL DEBATE

*This is the second part of a Perspectives series on physician-owned specialty hospitals and their relationship to community health-delivery systems. The first appeared in our September 20 issue.*

Physicians in some popular, high-paying disciplines can now find investor-partners eager to help them set up specialty hospitals to serve cardiac, orthopedic, or general-surgery patients. But full-service community hospitals say the facilities drain resources they need to cross-subsidize necessary but lower-paid services only they offer, such as burn and trauma centers and care for the uninsured.

Unable to decide whether to allow more specialty facilities to develop, Congress passed an 18-month moratorium on construction in last year's Medicare bill. But pressure to make a final decision is building as the June 2005 closing date for the moratorium creeps closer.

In the end the battle may come down to this: Who has more clout in Washington? Full-service community hospitals, who would ban the spread of the doctor-owned facilities, or physician-investors and the free-market theorists who support them, on the argument that specialty hospitals represent a major step toward a more efficient delivery system.

Beyond the simple power struggle, however, lie complex questions about the future of health care, some analysts say. Among them, the over-arching dilemma of how to balance the virtues of competition and efficiency against the perceived need to make at least some level of care available to all.

• **What's not to like about "focused factories"?** This, in essence, is the key question, according to management- and free market-focused analysts.

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