

# THE WEEKLY WHIP

TUESDAY, FEBRUARY 19, 2008

## PUBLIC-PRIVATE PARTNERSHIP TO ENHANCE MEDICARE BENEFITS

Billed as way to help seniors cope with rising prices of prescription medicine, Medicare Part D has become an unexpected burden for many beneficiaries because of a problem commonly referred to as “the doughnut hole.”

Medicare Part D allows enrollees to choose from private prescription coverage plans which are required to cover the first \$2,510 of prescriptions, including the enrollees’ co-payments *and* the costs borne by the insurance companies. Enrollees must cover most of their costs above that amount until they reach \$5,725 in expenses, when Medicare coverage resumes.

For many seniors, this means temporarily stopping treatment or picking and choosing between which ailments to treat. *The Washington Post* reported the story of Frances Acanfora, who paid \$58 per month for five medications. Her out-of-pocket costs rose to \$1,294 per month when she fell into the doughnut hole. As a result, she stopped taking medicine as a part of her treatment for breast cancer and eye drops for her glaucoma. Her remaining three prescriptions cost \$506.62 – nearly ten times the amount she was paying before she fell into the doughnut hole.

The House helped Medicare Part D enrollees in 2006 with legislation (HB 1467) to connect experts in the local area agencies on aging with Medicare beneficiaries so more seniors could find and access the prescription plan that is right for them.

Last week, the Governor and Chairman Pete Hammen announced a public-private partnership with Carefirst, the state’s largest non-profit health insurer, under which the company has pledged to contribute an additional \$4 million to fill in the doughnut hole for an estimated 7,500 seniors this year and 30,000 in coming years.

The subsidy will cover seniors making up to 300% of the federal poverty level, or \$31,200/individual or \$42,000/couple.

## CONTINUED INVESTMENT IN PUBLIC SCHOOL CONSTRUCTION

Four years ago, the Task Force to Study Public School Facilities offered a bleak assessment of the state’s school buildings: “Clearly, Maryland faces a crisis in public school construction.”

The task force, more commonly referred to as the Kopp Commission, studied the state’s schools to identify basic needs for the health and safety of students and the success of classroom programs. The survey identified problems in school buildings in every jurisdiction in the state, and the Commission estimated a cost of nearly \$4 billion to bring all schools up to minimum standards.

Study after study has shown that modern classrooms play a vital role in student achievement. Poor facilities make it more difficult for teachers to be effective and provide an environment where students are less likely to attend class or dropout altogether. The Kopp Commission found that students in inadequate facilities score between 5 and 10 points below their peers in clean and safe classrooms, and the difference in test scores can be as high as seventeen points.

Responding to the Kopp Commission’s call, the legislature has made school renovation and construction a priority. The legislature invested \$250 million in 2005 and \$320 million in 2006. Partnering with Governor O’Malley, the legislature put forward a record \$400 million in 2007. This year, we will invest over \$330 million in school renovation and construction, for a total of nearly three quarters of a billion dollars in the first two years of the term.

*Education Week* ranked Maryland’s schools third best in the nation, and student achievement is improving across the state. Continuing to invest in modern and safe classrooms is critical to maintaining the momentum in our schools and ensuring our students receive an education that prepares them to succeed in Maryland’s knowledge-based economy.