



November 19, 2003

Mayo Clinic Statement on Medicare Legislation

Mayo Clinic supports the compromise Medicare reform legislation that has emerged from a congressional conference committee. Based on the information available, Mayo believes this agreement should be enacted, although the job of Medicare reform is far from over.

The current legislation provides important improvements in Medicare coverage for seniors, most importantly some coverage for prescription drugs. The legislation also includes short-term corrections to Medicare reimbursement formulas, including a provision that blocks a significant reduction in reimbursement to physicians in 2004.

The legislation takes some steps toward a more competition-based model for Medicare in the future. While we agree with the direction of these changes, we are disappointed that the agreement does not move more quickly and definitively toward a Medicare program modeled after the market-based Federal Employees Health Benefits Plan.

The long-term prognosis for Medicare remains troubling as the retirement wave of baby boomers approaches. Mayo Clinic is committed to supporting more comprehensive market-based reform of Medicare and of the entire health care system, and we will actively pursue those goals.