

Abolishing Medicare



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On the 15th of April, the Republican majority in the United States House of Representatives, including recently elected Congressman Rick Berg of North Dakota, voted for and passed a convoluted plan to abolish Medicare as seniors now know it and turn one of America's most popular government programs into some sort of "limited dollar" *voucher* scheme.

This essentially puts fiscal deficit fixing on the financial backs of seniors, particularly those who are now 54 and will become seniors in the future. The Democratic majority in the Senate is expected to kill this nonsense, however, if this is what having a majority in the House means to Republicans, look out if they get a *Senate* majority and the White House. Goodbye, Medicare! I was told by Don Canton, Communications Director for Senator John Hoeven (R-ND) that the freshman Senator has not made any decision on this portion of the House passed 2012 Budget Reform Act and that "he will always make sure seniors are protected." His vote on Medicare will be a test of that pledge.

Today, countless Americans aged 60-65, without any health insurance or with coverage costing couples around \$1,500 or more a month, can't wait to get to 65 so can they sign up for Medicare.

The Republican alternative, designed by Congressman Paul Ryan of Wisconsin and strong-armed through the House by Rep. John Boehner of Ohio, will turn senior health coverage over to insurance companies. Government issued limited-dollar "vouchers" would *assist* seniors in paying the premiums these companies will set and charge. With this change, many seniors may have to pay over \$6,000 more in annual premium costs.

This move transfers primary responsibility for senior health coverage from the government to insurance companies, turning back the clock 46 years. These vouchers will not cover the full cost of premiums *or* care. The voucher program is a variation on today's so called "Medicare Advantage" plans. To understand how those programs work, one needs to look at how Medicare covers seniors today:

Medicare **Part A** now pays 80% of a senior's or a disabled person's hospital bill. Medicare **Part B** pays 80% of doctor and clinic bills. Seniors then purchase a *supplement* from Blue Cross or any commercial insurance carrier to cover the remaining 20% and help with deductibles. These insurance company *supplements* are *standardized* by federal law as to benefits; companies compete on cost and service. This is called "*traditional Medicare*" and it works very well. Ask any senior. When you enroll at age 65—or whenever you leave employer-sponsored health coverage—both Medicare and the supplement coverage you choose *must* accept you without Medical qualification and cannot "rate you up" for a given health condition. Look for that to go away with the new Republican plan, a change that will greatly expand today's *uninsured* population to those over 65.

With Medicare "Advantage" plans (**Part C** of Medicare), the government gives an insurance company a certain amount of money each month for every enrollee. Uncle Sam is then no longer responsible for those seniors' health coverage, the *insurance company* is. Usually, these plans try to keep their costs low by contracting with an extremely *limited* provider network, those doctors and hospitals willing to take less for services. This means, for example, if you need a certain procedure, the nearest contracted provider might be 150 miles away. Or, if you go "out of network," there is either *no* coverage or you pay a much larger percentage of treatment costs. So much for "choices" under Advantage plans. The new Republican version of Medicare is expected to be designed along these lines. Advantage plans have not been popular in rural states like North Dakota and Minnesota, where choosing whether or not to go to the Mayo Clinic, for example, or elsewhere, is important to residents of all ages.

Part D is the consumer *unfriendly* Prescription Drug Program. The Republican Congress that passed it during the George W. Bush administration designed it the way pharmaceutical company lobbyists wanted it designed; it has actually helped *increase* drug prices. The Republican Congress that passed this *unfunded* program **does not allow Medicare to negotiate drug prices on behalf of 40 million seniors**. Why does that feature continue? Congress should have eliminated this restriction a long time ago.

Ryan and Boehner both say that "no current senior is affected" by their House-passed sea change in Medicare. They said their new program will be for those now aged 54 and younger. Thankfully, the Senate, currently controlled by Democrats, is expected to kill this thinly-veiled attempt to fix the deficit on the financial backs of seniors, the disabled and the poor, while continuing huge tax breaks to the very rich. So, while you 50-something's out there who giddily voted for your favorite T-party zealot, bear in mind this slash and burn crowd is trying to make sure Medicare won't be there for you when you're 65. Think long and hard about this before the next election.