

# The class issues in the US health care debate

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The Obama administration's push for health care "reform" has exposed the class realities that dominate American politics and the social interests which Obama defends.

Under Obama, the issue of health care reform has been shifted from providing decent medical care for all to slashing the cost of health care to businesses and the government, primarily by cutting costs for Medicare and fundamentally changing the nature of the Medicare program.

Depending on his audience, Obama at times seeks to conceal the reactionary essence of his proposal by presenting it as a plan to provide health insurance to the uninsured. But even if his plan were enacted in full, it would still leave an estimated 18 million Americans without any form of health coverage.

In a blitz of interviews Monday and Tuesday, Obama refused to endorse a provision of a House version of his health care plan that would impose a small tax surcharge on the rich. Under the House plan, individuals making more than \$280,000 a year or families earning more than \$350,000—about 1.2 percent of US households—would be required to pay the surtax. For a family making \$500,000, the surtax would amount to about \$1,500.

The tax surcharge provision was included in a bill passed by a House committee last week, and within days the head of the Congressional Budget Office issued a highly critical report declaring that Obama's reforms would not slow the rise in health care costs and suggesting a tax on employee health benefits.

This sequence of events was not accidental. The media, speaking for the ruling class, has been overtly hostile to the tax surcharge, complaining that the provision would unduly penalize the rich.

For their part, the Republicans oppose any expansion of government-backed health insurance, and are calling for even more draconian cuts in existing programs.

There was a time when Social Security and Medicare were considered the "third rail" of American politics. "Third rail" refers to the electrified rail on subway train tracks, the implication being that if you proposed cuts in Social Security or Medicare, you were, politically speaking, a dead man.

Now you have a Democratic president and Democratic Congress that are proposing unprecedented cuts and a fundamental restructuring of Medicare, and a proposal to slightly increase taxes on the rich to help pay for the up-front costs of the plan is treated with horror and indignation by the media. Any increase in taxes on the rich is revealed to be the "third rail" of contemporary American politics.

The class priorities are clear in the contrast between Obama's insistence on reducing health care costs and his policy toward the banks. In testimony Tuesday before the House Oversight and Government Reform Committee, Neil Barofsky, special inspector general for the Trouble Asset Relief Program (TARP), said that the potential cost of the government bailout of the banks could reach \$23.7 trillion.

Obama contends that slashing health care costs is the overriding requirement for reducing the budget deficit and restoring the economy. This is universally echoed in the media and the political establishment. No one asks: Why a fundamental social need such as health care? Why not military spending? Or interest payments to the banks on the national debt?

As a result of the administration's policies—escalating the war in Afghanistan, enlarging the military, doubling the national debt to finance the bailout of the banks—the costs for these budget items are rising at record rates.

There has been an outcry within the political establishment and the media over the estimated \$1 trillion price tag over 10 years for the health care plans being debated in Congress. This is approximately equal to the amount allocated *annually* by the US government

in military-related expenditures, which account for about one-third of the entire 2009 fiscal year budget.

The *New York Times* has been leading the campaign to slash health care costs at the expense of the working class. In a July 20 editorial, it hails Obama's latest proposal to set up an "independent expert body to propose fair payment rates and other cost-saving reforms for Medicare." What this will mean in practice is indicated, although in deliberately vague terms, in the remainder of the editorial.

It states: "If the government simply extends subsidized insurance to millions of uninsured people but fails to force fundamental changes in the delivery or financing of health care, then federal health care costs will keep escalating at excessive rates." The editorial continues: "Medicare ought to be empowered, for example, to reduce its payment rates to the highest-cost hospitals and most inefficient doctors."

This means, in plain language, that hospitals which spend similar amounts to treat Medicare patients as they do to treat wealthy patients should be penalized and placed at a competitive disadvantage with hospitals that provide cut-rate care to Medicare patients. The "spendthrift" hospitals will be confronted with the alternative of reducing their care for those whose bills are paid by Medicare or going out of business.

And what, precisely, is meant by "inefficient" doctors? This is a code word for those doctors who provide roughly equivalent care—tests, procedures, medications—to Medicare patients as to those able to pay on their own. They too will be faced with the alternative of cutting back on the care for Medicare patients, or being financially penalized.

The *Times* spells this out when it writes: "That is probably the best way to get them to stop providing needless tests and treatments that don't improve the health of the patient."

One should consider the meaning of "needless." How is this to be determined in advance? The only way to determine with certainty whether a procedure or test is "needed" is if, having been denied a more expensive method of treatment, the patient fails to recover or dies!

The editorial continues, reinforcing the same point: "Medicare should also be allowed to use the results of comparative effectiveness research to set reimbursement policies favoring the best treatments."

This is nothing other than a demand that Medicare be

restructured to become a cut-rate system for providing substandard care to the working class and the poor. In a fundamental sense, this represents the unwinding of Medicare as a system of universal health care for the elderly. When the program was launched in 1965, it was based on the social principle that all elderly people were entitled to the same level of medical care, regardless of their income or socioeconomic status. It is this principle that is under attack by the *Times* and the Obama administration.

In its place, Medicare is to become a class-based system of reduced care to workers and poor people, while the wealthy will have access to the best treatment.

The *Times* goes on to make clear its support for proposals to tax employee health benefits, saying, "A tax on employer-provided benefits would probably also encourage workers to choose lower-cost policies, and use health care more sparingly."

That is, health care is to be rationed to the "rabble" of society, so that the corporations can increase their profits by reducing their health care outlays, while the wealthy continue to enjoy the benefits of a tax system skewed in their interests.

The *Times* expresses the outlook of contemporary American liberalism and the social layers upon which it is based, i.e., sections of the financial elite and the most privileged layers of the middle class. It articulates the contempt for the working class that the liberal establishment, which supports the Democratic Party and the Obama administration, shares with its Republican counterpart.

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