

Democrats and Republicans escalate campaign against health care programs

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Democrats and Republicans are escalating their attack on government programs that benefit the working class, centering their focus on Medicare and Medicaid, the principal health care programs for the poor, disabled and elderly.

The Republican Party proposal, presented by Congressman Paul Ryan and approved by the House of Representatives earlier this month, would effectively demolish the two programs. For his part, Obama has just returned from a tour of the West Coast in which he trumpeted his own plan to cut \$2 trillion, primarily from the health care programs, over the next decade. The proposal, still vaguely elaborated, would expand measures already passed as part of the administration's cost-cutting health care overhaul last year.

The unanimity of the ruling class in the demand for cuts in health care was underscored by the *New York Times* editorial Sunday, "A Real Choice on Medicare." Speaking for the liberal establishment, the *Times* claimed that there were "stark differences" between the proposals advanced by the Republicans and the Democrats. In fact, the editorial demonstrated the opposite.

The *Times* noted that while Republicans proclaimed their opposition to Obama's health care reform during the 2010 elections, their current proposal incorporates several of its key parts. This includes reductions in payments for Medicare Advantage, currently an option within Medicare that is administered by private insurers. The reduction is presented as an attack on subsidies to private companies, but its main effect will be to prompt these companies to reduce benefits offered to recipients.

The *Times* also wrote, "The Republicans have embraced health care reform's necessary plan to slow the growth rate of payments to health care providers, which was expected to save hundreds of billions over the next decade." This measure will also lead to deep cuts in benefits, as providers scale back services in response to reduced federal reimbursements.

After criticizing in mild terms the Republican program to end Medicare as a government program with guaranteed

benefits and transform it into a federally-subsidized program for the purchase of private insurance, the *Times* insisted, "The country cannot wrestle the deficit under control unless a way is found to slow the rise in medical costs—and Medicare's demands on the federal budget."

Whereas Obama was "clearly dedicated to reforming the health care system," the *Times* questioned whether Ryan's reliance on private insurance would actually succeed in containing costs.

"What is clear is that House Republicans are determined to repeal reform's strongest cost-control measure: an independent board that would monitor whether Medicare is on track to meet spending targets and, if not, propose further reductions that Congress would have to accept or replace with comparable savings," the newspaper wrote.

The main content of the newspaper's critique of the Republicans is that their plan will not seriously reduce government spending.

The *Times* has carried out a systematic campaign against supposedly unnecessary tests and procedures. The aim has been to prepare the way for drastically reducing the level of care available to most individuals, which would be the central purpose of the "independent" board. The ruling class as a whole is implementing a conscious policy aimed at reducing the life expectancy of large sections of the population.

Sunday's editorial complained, "Republicans charge that [the independent board] would allow 'unelected bureaucrats' to 'ration' health care." This charge, which the *Times* does not attempt to refute, is in fact true. It helped the Republicans in their cynical efforts to posture as defenders of Medicare during the 2010 elections.

The *Times* went on to bemoan foot-dragging in Congress over health care cuts, listing "patients" as one of the "special interest groups" blocking change.

The newspaper concluded by criticizing Republicans for advocating the repeal of the health care overhaul legislation, as such action will "make it even harder to wrestle down health care costs, the best way to deal with the country's

long-term fiscal crisis.”

It is notable that neither the *Times* in its editorial nor Obama during his West Coast trip said anything about Medicaid, the program for the poor. Both parties are united in their determination to sharply cut Medicaid funding. State governments throughout the country, under both Democratic and Republican leadership, are pushing through billions in cuts even as meager federal aid to the states dries up.

The bipartisan consensus for attacking health care was evident on the network talk shows Sunday. On NBC’s “Meet the Press,” anchor David Gregory interviewed Democratic Senator Kent Conrad from North Dakota, the chairman of the Senate Budget Committee, and Republican Senator Tom Coburn from Oklahoma. The two are part of the “gang of six,” a group of senators working on a bipartisan compromise to cut social programs.

After rejecting any increase in taxes, Coburn insisted, “We ought to be honest with the American people. Medicare cannot continue the way it is if we’re going to survive. Medicaid cannot continue the way it is if we’re going to survive.”

Gregory pointed to the “difficulty” with this proposal, namely that the population overwhelmingly opposes it. He cited polls showing that 78 percent of the population opposes cutting Medicare, and 69 percent opposes cutting Medicaid.

Gregory briefly noted, but quickly sidestepped, the fact that the vast majority of the population supports increased taxes for the wealthy. The problem is, he concluded, “The American people want more government than they’re willing to pay for.”

The senators both stressed that mass popular opposition could not be a deterrent to implementing cuts.

A similar consensus was expressed on Fareed Zakaria’s GPS program on CNN, which featured former Clinton Treasury Secretary Robert Rubin and former Bush Treasury Secretary Paul O’Neill.

Zakaria began by complaining, “The real problem for America may well be that it does not face a short-term crisis.” The news anchor referred to the announcement by ratings agency Standard & Poor’s last week that it was lowering its outlook on US debt. This was aimed at fomenting a crisis atmosphere to push the US political establishment to implement drastic cuts before the 2012 elections.

Zakaria worried that this might not be enough to prompt quick action. “Washington isn’t acting as if it is facing a crisis, whatever the rhetoric,” he said.

Rubin, a former co-chairman of Goldman Sachs and senior executive at Citigroup, suggested that a recent poll showing mass unease—with 70 percent of the population reporting that

the country is on the wrong track—was the result of concern over government inaction on the deficit.

After insisting that raising the US government debt ceiling should not be tied to budgetary discussions, Rubin stressed that cuts were required. Responding to criticism from Zakaria that the Democrats were not going far enough, he emphasized that Obama’s proposal calls for significant cuts in Medicare, and that the president had left open the possibility for an agreement to reduce Social Security benefits as well.

Rubin also made clear that these would be only initial steps, saying that further “entitlement reform” measures would follow.

Many of Rubin’s protégés have top positions in the Obama administration, including Treasury Secretary Timothy Geithner.

Both Rubin and O’Neill supported calls for increasing regressive taxes, with O’Neill proposing that all income and corporate taxes be eliminated, to be replaced with a value added consumption tax that would disproportionately target workers.

As for what passes for the “left” of the US political and media establishment, *Nation* columnist John Nichols posted a blog entry Saturday praising Republican Senator Susan Collins for opposing the Ryan plan. Echoing concerns expressed by both the *Times* and Rubin that the proposal would not succeed in cutting government spending, Nichols wrote that “honest conservatives should have just as much trouble with the fiscal folly that Ryan proposes.”

He went on to say that no one who is “serious about reducing deficits” and “responsible budgeting” could back Ryan’s plan.



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