

US House of Representatives votes to abolish Medicare

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In the most reactionary social policy proposal in recent US history, the House of Representatives voted Friday afternoon to support the abolition of the Medicare program, the government health insurance system for tens of millions of retired and disabled Americans. The 235-193 margin was a near party-line vote, with only four Republicans opposing the bill and no Democrats supporting it.

The vote was to approve an overall budget resolution for fiscal year 2012, which begins October 1. The bill drafted by House Budget Committee Chairman Paul Ryan and backed by the entire House Republican leadership calls for \$6.2 trillion in spending cuts over the next 10 years, with at least \$3 trillion of this sum to be handed over to the wealthy in the form of additional tax cuts for the highest income bracket and for corporations.

The budget resolution serves as a framework for the bills that will actually authorize spending for FY 2012 by the various departments of the federal government. Even if passed by both houses of Congress, it is not legally binding and does not go the White House for the president's signature to become law. This House version, in any event, has little chance of being passed by the Democratic-controlled Senate.

Nonetheless, from a political standpoint the House vote is of enormous significance. For the first time in modern American history, a major social benefit is being targeted by one of the chambers of Congress for complete elimination. Every US resident 65 years and older is eligible for Medicare, which pays the bulk of the cost of hospitalization and other health care.

The Ryan budget resolution phases out Medicare for all Americans now aged 55 or younger. Instead of guaranteed coverage when they reach the age of 65, they would receive "premium supports," or vouchers, to buy private insurance once they reach the age of 67. The value of the vouchers would be capped at a level that assures ever-

rising health insurance costs for all those enrolled in the program.

Current Medicare recipients, and those over 55 who will become eligible for Medicare during the next 10 years, would remain under the preset program. However, the funding would be sharply cut, forcing cuts in coverage and reimbursement rates that would lead to more and more doctors and hospitals refusing to take Medicare patients.

The Republican budget also effectively eliminates Medicaid, the companion program to Medicare that provides health coverage for the poor, as well as paying for nursing home care for many seniors.

Medicaid is now a joint federal-state program, with the federal government bearing most of the costs and setting minimum standards for coverage. The Obama health care legislation passed last year proposed to expand Medicaid as one means of providing health insurance for working people who cannot obtain it through their employers.

Under the budget resolution adopted Friday, Medicaid would become an entirely state-run program, with federal support limited to block grants that would fall steadily behind the pace of health care costs, forcing states to continuously reduce benefits, eligibility or both. Total Medicaid spending would be slashed by \$771 billion over 10 years.

The Republican resolution is motivated not by the desire to reduce the federal deficit, but by class hostility to the provision of any public social benefits. When Congressman Ryan outlined the plan in a speech two weeks ago to the right-wing American Enterprise Institute, he condemned such benefits as encouraging laziness and indolence—although the primary beneficiaries of Medicare and Medicaid are the elderly, poor children and the disabled, those who in any decent society should not be working.

The brutality of this proposal did not prevent an

outpouring of praise from the corporate-controlled media and the Washington establishment. On the contrary, it was this characteristic that most recommended the Ryan plan, leading to effusions from pundits like David Brooks of *New York Times* hailing Ryan's "courage" and "realism."

The Democratic Party response to the proposed termination of Medicare and Medicaid is a mixture of demagoguery and cowardice. President Obama, after stalling for a week to give the Ryan plan more traction, finally denounced it in his budget speech Wednesday. But the Democrats merely propose to accomplish the same social goals—slashing spending for health care and other social needs—using less strident rhetoric and more subtle tactics.

From a purely electoral standpoint, the Republican proposal to destroy Medicare and Medicaid might appear reckless, even suicidal. The policy they are proposing is deeply unpopular: a recent Gallup poll found just 13 percent supporting a complete overhaul of Medicare, and opposition was particularly strong among the elderly, who backed Republican candidates by a 21-point margin in the 2010 congressional elections.

However, the policies of the US government are not determined by public opinion, but by the class interests of the American financial aristocracy, which controls both parties and uses their largely stage-managed conflicts to delude the population and sustain the illusion of electoral "choice." The ruling class is determined to make working people pay the price for the Wall Street bailout as well as three wars and the worst economic crisis since the Great Depression.

The real attitude of the Democrats towards deficit reduction was demonstrated Thursday in the passage of the fiscal year 2011 budget resolution negotiated by the congressional Republicans and the White House. The bill cuts domestic social spending by \$38.5 billion, the largest one-year cut ever enacted by Congress.

There was a last-minute hitch in the congressional approval process for the FY 2011 budget, after the Congressional Budget Office issued a report detailing the size and timing of the cuts and finding that the reduction in current-year outlays, as opposed to overall spending authorization, would be only \$352 million. This prompted a group of the most right-wing Republicans in the House to declare their opposition to the budget deal.

The House Democrats stepped in to assure passage of the bill. According to press accounts, the Democratic leadership in the House held back the votes of some 75 Democrats, waiting to see how many votes would be needed to approve the bill. At one point, the vote tally

stood at 211 for the bill and 140 against, with 66 Democrats and only 16 Republicans not yet voting. The final tally showed passage by 260 to 167.

The *New York Times* reported back-channel contacts between leaders of the two parties to finalize the parliamentary maneuver: "Realizing that the majority was going to need Democratic votes to pass the measure and avoid a [federal government] shutdown, aides said that Representative Kevin McCarthy of California, the No. 3 Republican, reached out to Mr. Hoyer, the second-ranking Democrat, for help on Thursday. Democrats initially did not have enough firm supporters of the measure, one official said, prompting Mr. Hoyer and his allies to reach out to lawmakers and round up what ultimately amounted to 81 Democratic votes, enough to provide a comfortable margin."

In the event, 22 of these 81 Democrats were allowed by the leadership to vote against the budget so they could posture in front of their constituents as opponents of the cuts. The remaining 59 Democrats voted for the budget, exactly offsetting the 59 Republicans who voted against the bill proposed by their own leadership. Without the Democratic votes, the deal would have collapsed.

No such horse-trading was required in the Senate, where the record cuts in domestic social spending had overwhelming bipartisan support. The budget passed by the House was approved by the Senate 81-19, with most of the opposition coming from the right wing of the Republican Party, including figures like Rand Paul of Kentucky and Jim DeMint of South Carolina who wanted even greater cuts.



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