

Obama, Republicans plot sweeping attack on Medicare

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30 March 2013

Behind closed doors, the White House and congressional Republicans are discussing a deal that would impose devastating cuts on the Medicare system and threaten tens of millions of working people.

The *New York Times* in a front-page article Friday reported on secret meetings between President Barack Obama and House and Senate Republicans. The president has assured the Republicans that he will deliver Democratic votes for historic attacks on Medicare as part of a “balanced” package, meaning one that includes the fig leaf of token tax increases on the wealthy.

The plan that is being discussed would combine Medicare Parts A and B, covering hospital care and doctor visits respectively, in such a way as to impose major increases in deductible payments on millions of beneficiaries.

Currently Part A has a much higher deductible than Part B (\$1,184 compared to \$147). Combining the two parts and charging a single deductible higher than the current Part B rate would greatly increase costs for the approximately 80 percent of Medicare beneficiaries who use doctor and outpatient services, but not hospital care, in any given year.

Another potential means of extracting money from the elderly is in the premium payment, which is required for Part B coverage but not Part A. Combining Part A and Part B would make it possible to charge premiums for hospital coverage.

Retirees and others covered by Medicare who are not sick enough to require surgery or hospitalization, but need to see their doctors on a regular basis, would face steep increases in out-of-pocket costs. These would be on top of their monthly premium, which is now \$100. With Medicare now enrolling some 50 million Americans, about 40 million people would be hit by the

proposed increase in deductibles.

An attack along these lines was proposed some 25 years ago, in the last year of the Reagan Administration. Congressional Democrats then opposed it, but are now spearheading the offensive against Medicare. In an attempt to dampen popular outrage in advance of the 2016 elections, the White House is proposing that any changes would apply only to those eligible for Medicare after 2016.

The bipartisan proposals now taking shape are also aimed at other elements of Medicare and will have dire consequences. Obama is proposing a 15 percent surcharge on Medigap plans. These plans, now purchased at significant cost by many retirees in order to provide protection from ever-rising health care costs, would now become even more expensive.

In its report, the *Times* writes that one of the major goals of the restructuring of Medicare Parts A and B is “to discourage people from seeking unneeded treatments.” This is very much in line with the campaign, in which the liberal editorialists of the *Times* have played a leading role, to deny many tests and treatments to the working class majority of the population. The wealthy, of course, would be able to obtain the care they chose.

The attacks on Medicare are being hammered out behind the backs of the American people, highlighting their antidemocratic character. The news report makes reference to meetings that have never before been publicly reported. The idea of public hearings or local meetings at which those who will bear the brunt of these cuts can be heard is not even considered.

The *Times* report makes clear the fraud behind the frequent claims of political gridlock and partisan warfare in Washington that allegedly paralyzes the federal government. Despite their tactical differences

and vitriolic political campaigns, Democrats and Republicans are united in a conspiracy against the working class.

They have been discussing plans to attack Medicare and other social programs for years. Republican House Majority Leader Eric Cantor discussed the restructuring of Medicare Parts A and B as long ago as 2011, when he participated in a panel on fiscal issues headed by Vice President Joseph Biden.

It is within this context that the House budget plan introduced by Wisconsin Republican and 2012 Vice Presidential candidate Paul Ryan must be understood. Ryan's proposals, which include vouchers that would essentially do away with Medicare, are being used to give Obama and the Democrats political cover. As part of the political fraud typical of the two-party system, the Democrats pose as opponents of Medicare privatization while pushing for increased costs and reduced benefits for recipients and turning the program into a shadow of what it was in the past.

The role of the Democrats in this conspiracy was spelled out by Virginia Senator Mark Warner. Warner, the *Times* explains, "has long led a bipartisan group of senators seeking a fiscal deal." The Virginia Democrat called for an end to "stale arguments" that he compared to "World War I trench warfare." He welcomed the views of those Republicans who said, as he put it, "Well, we don't really like what Ryan has done—premium support—but we want systemic reform."

In other words, the choice is between alternate ways of gutting bedrock social programs and making the working class pay for the crisis of the capitalist system. The Republicans propose the most extreme attacks and the Democrats come forward to defend something quite similar that previously would have been considered politically impossible.

The Medicare cuts being discussed will have a major impact on the lives of millions of working people and retirees. Medicare already has serious limitations, including its partial privatization in recent decades through Medicare Advantage plans, Medigap and the prescription drug plan enacted under the George W. Bush administration. All of these counter-reforms have enriched the private insurance industry and pharmaceutical giants at the expense of the working class.

Nevertheless, Medicare has constituted a lifeline for

many millions of working people since it was enacted, extending the length and quality of life. It was one of the very last social reforms that American capitalism was able to provide, and then only in response to great social struggles. Today, however, as part of the global crisis that has worsened in the years since the financial collapse of 2008, these reforms are on the chopping block in the US and worldwide. They can be defended and extended only in the struggle for the socialist reorganization of society on the basis of human needs and not profit.



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