

# US Republican Paul Ryan's budget plan revives voucher system for Medicare

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US Representative Paul Ryan, Republican of Wisconsin, released a "Path to Prosperity" budget plan on Tuesday that would slash spending by \$5.1 trillion over 10 years. Central to this blueprint is the institution of a voucher plan in Medicare, the government health insurance program for seniors and the disabled. The Republicans have dubbed this threat to privatize Medicare "premium support."

Paul Ryan's proposals in relation to Medicare are the most open threat by the ruling elite to privatize the social insurance program enacted in 1965. As always, it is being set as a new milestone as part of an ever further shift of the entire political establishment to the right.

In predictable fashion, Ryan's proposal was swiftly denounced by Barack Obama. Exiting the well-known Zingerman's deli in Ann Arbor, Michigan on Wednesday, following his University of Michigan appearance to promote a small raise in the minimum wage, the president likened Ryan's plan to a "Stinkburger" or a "Meanwich."

The president's comments continue the phony sparring between the White House and Congressional Republicans over the budget. This cynical dance is aimed at concealing the policies of both big business parties as they conspire to make the working class pay for the continuing economic slump triggered by the 2008 Wall Street crash. Central to this is the slashing of government spending on vital social programs, including Medicare, Medicaid and food stamps.

Ryan's budget plan follows the release of a budget last month by the White House. Neither proposal will have any real impact on spending during the fiscal year that begins October 1, 2014, as the overall spending for fiscal years 2015 and 2016 was set in a bipartisan agreement last December. Instead, the dueling plans set the tone for the two parties in the upcoming mid-term Congressional elections.

On Wednesday, the Democratic Congressional

Campaign Committee launched a new ad campaign called "Battleground: Middle Class," attacking Republican proposals to revamp Medicare, replace the Medicaid program for the poor with state block grants, and make other cuts to domestic social spending.

The White House is falsely promoting the Affordable Care Act (ACA), its signature domestic initiative, as a progressive reform that will expand the availability and quality of health care for millions of American workers and their families. The ACA is held up as the opposite of Republican proposals, including the plan to privatize Medicare. In fact, the legislation commonly known as Obamacare, which went into effect January 1, 2014, serves as a model for Ryan's reactionary proposals.

Under Ryan's plan, Americans who turn 65 on or after January 1, 2024 would be provided "premium support" by the government, essentially a voucher, to purchase either private insurance or a traditional Medicare plan. According to analysis by the Congressional Budget Office (CBO), those choosing Medicare would find fewer doctor choices and narrower provider networks, and less medical costs would be covered. Beginning in 2024, the age of eligibility for Medicare would also begin to rise, while the fee-for-service structure (aimed at slashing reimbursements to hospitals) would be "modernized."

While Ryan's budget calls for the repeal of ACA, it conveniently incorporates the roughly \$700 billion in cuts to Medicare over a decade planned through Obamacare, as well as \$1 trillion in revenues projected to be generated by the legislation. These massive cuts to Medicare, which the White House has cynically claimed will result in better health care for seniors, are embraced in the Ryan's "Path to Prosperity" budget.

Ryan was brought forward by Democrats and Republicans during budget negotiations last year. The Republican congressman worked with Democratic Party negotiators to pass a deal that makes permanent over a

trillion dollars in “sequester” budget cuts, while attacking pensions for federal workers and implementing other right-wing measures. Obama praised the deal and the bipartisan character of the negotiations.

Despite the claims of the Tea Party and other right-wing opponents of Obamacare, the legislation has nothing in common with socialized medicine. The key provision of the ACA, the “individual mandate,” requires individuals and families who are not insured through their employer or a government program such as Medicare or Medicaid to purchase insurance from private insurance companies or pay a penalty. Businesses, on the other hand, have been granted waiver upon waiver to the toothless “employer mandate” under the law.

Uninsured individuals shopping for coverage on the insurance exchanges, or “marketplaces,” set up under the ACA, have been shocked to find that the majority of cheaper “bronze” policies for sale come with deductibles in excess of \$5,000, as well as other high out-of-pocket costs. Choices of doctors and hospitals are also restricted. The legislation that Obama pledged would provide “near universal” health care is in reality a scheme to funnel millions of new cash-paying customers to the private insurers.

From the start, the aim of the US health care overhaul has been to create an even more heavily class-based system than that which already exists. Both the White House and Congressional Republicans are in general agreement on this agenda, differing only on the methods and pace for carrying it out.

In particular, both parties are eyeing Social Security, Medicare and Medicaid—programs won through mass social struggles of the working class—for not only sweeping funding cuts, but ultimately for destruction through privatization and other means.

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