

Bipartisan assault on health care intensifies in US

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Last week, US Representative Paul Ryan, the Republican Budget Committee chairman from Wisconsin, presented a budget proposal that would slash \$5.1 trillion in government spending over the next decade, with the great majority of the cuts coming from health care spending.

The plan includes a proposal for a voucher system for Medicare, the government health care program for the elderly. This would be a major step toward the dismantling of the program by turning it into a government subsidy to buy private health insurance.

The White House and Congressional Democrats were quick to denounce the proposal. The White House said in a statement that the proposal would “end Medicare as we know it, turning it into a voucher program and risking a death spiral in traditional Medicare.” Obama likewise made a denunciation of the Republican budget the centerpiece of his weekly video address Saturday.

Representative Chris Van Hollen, the ranking Democrat on the House Budget Committee, offered a vituperative denunciation of the deal, calling it “the Republican declaration of class warfare—it protects the elites at the expense of the rest of the country.”

What neither Obama nor Congressional Democrats mention is the fact that the Ryan budget, while vowing to repeal sections of the Affordable Care Act, in fact uses the cuts to Medicare implemented under the White House’s signature health care law as a starting point. The legislation, commonly known as Obamacare, cuts Medicare funding by some \$500 billion through reduced compensation to doctors and hospitals.

In addition, the Affordable Care Act includes some \$200 billion in cuts to Medicare Advantage, the private alternative to Medicare Parts A and B, which was implemented under the Balanced Budget Act of 1997. According to the Centers for Medicare and Medicaid Services, this would constitute a 5.9 percent funding cut

to the program, raising premiums for beneficiaries by between \$35 to \$75 a month. The White House is due to announce its final proposal for next year’s cuts to Medicare Advantage on Monday.

The parallels between Obama’s Affordable Care Act and Ryan’s proposal go much deeper. While the White House and its Democratic and pseudo-left apologists strenuously avoid calling Obamacare a voucher system, this is precisely what it is. It is a requirement that individuals buy private insurance, with inadequate subsidies, or face a penalty. Its implementation is in fact a model for privatizing Medicare itself.

As always, the Republican proposal will also become the benchmark for negotiations between the two big business parties, shifting the entire framework of political discussion even further to the right.

An ever-greater section of the population is coming to the conclusion that the Affordable Care Act constitutes a handout to major insurance companies, an attack on bedrock social programs and a pretext for companies to drop their existing health insurance coverage.

The passage of Obamacare has also set the stage for a significant number of Fortune 500 companies—including Target, Home Depot, Trader Joe’s and Forever 21—to eliminate health care coverage for their employees. In his new book, *Reinventing American Health Care*, former White House advisor Ezekiel J. Emanuel concludes that the Affordable Care Act sets the stage for “the end of employer-sponsored health insurance,” and that “by 2025 few private-sector employers will still be providing health insurance.”

While the White House has delayed elements of the Affordable Care Act affecting businesses, it has made absolutely clear that it will not budge on the so-called individual mandate, which forces any uninsured person who does not sign up on the health care exchanges, or lapses in their payments, to pay a fine of \$95 or 1 percent

of their income, whichever is higher. The penalty increases to 2 percent of income in 2015 and 2.5 percent of income in 2016. For a worker making \$25,000 per year, the 2016 fine will amount to \$625 per year.

Those who have purchased coverage under the Obamacare exchanges have found that the most affordable plans carry deductibles as high as \$6,350 for an individual and \$12,700 for families, which must be paid in full before most coverage kicks in. The average premium under the Affordable Care Act is \$328 a month.

Once individuals purchase an Obamacare insurance plan, they are effectively locked in, with almost no ability to change their coverage if they are not satisfied. Now, with over 7 million customers signed up, insurers are reporting that they are planning significant increases in the premiums they are charging.

Last month, the *Hill* reported, citing anonymous health insurance providers, that “ObamaCare-related premiums will double in some parts of the country.” The newspaper reported one insurance official who “said his company expects to triple its rates next year.”

Just a few weeks later, WellPoint Inc., a major health insurance provider under the Affordable Care Act, predicted “double-digit-plus” rate increases. “On a year-over-year basis on our exchanges, and it will vary by carrier, but all of them will probably be in double-digit plus,” said one of the company’s executives in an investor meeting last month.

Chet Burrell, chief executive officer of CareFirst BlueCross BlueShield, reemphasized this point, telling Reuters last week, “I do think that it’s likely premium rate shocks are coming.”

The bipartisan character of the attack on health care is an expression of the fact that, for all the supposed “partisan gridlock” in American politics, the Democratic and Republican parties are entirely united in their plans to gut Medicare, eliminate employer-based health care, and create an even more class-based health care system, in which the poor and working people are barred from access to lifesaving medical treatment.



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