

# A historic attack on Medicare

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US President Barack Obama signed into law on Thursday the Medicare Access and CHIP Reauthorization Act of 2015, marking a new stage in the bipartisan assault on the government health insurance program for 53 million American seniors and the disabled.

The bill, HR 2, was passed this week by the Senate, following approval by the House last month—in both cases by overwhelming bipartisan majorities.

Obama praised the bill as a “milestone,” after the Senate vote Tuesday. On Thursday, he praised the “bipartisan achievement,” saying that it would “be good for people who use Medicare, it’s going to be good for our seniors.”

In fact, the bill expands means testing for Medicare and establishes a new payment system in which doctors will be rewarded for cutting costs while being punished for the volume and frequency of the health care services they provide.

The press has depicted the bill as a miracle of bipartisanship, demonstrating that Democrats and Republicans can work together to end Washington “gridlock” in the interest of the public good. The reality is that the bill is ultimately aimed at gutting health care services for the millions of seniors who rely upon it.

News reports have focused on the “doc fix” contained in the legislation, which establishes a new payment schedule for doctors in place of a formula that since 1997 has tied doctor payments to economic growth, the sustainable growth rate, or SGR. The bill’s passage averts a 21 percent payment cut that would have gone into effect April 1, and provides modest increases in doctor payments through 2019.

Beginning in 2019, however, doctors will qualify for bigger reimbursements if they participate in one of two programs in which they will be paid, according to Obama, based on a “payment model that rewards quality of care instead of quantity of care.” Reference

to “quality of care” is a political fraud. Doctors will have a financial incentive to withhold more expensive tests and services, and will be rewarded for rationing care and cutting costs.

The bipartisan backing for the Medicare bill is based on common agreement on one basic issue: Medicare spending must be slashed and a radical shift needs to be instituted in the program—away from the “lavish” fee-for-service system, while transforming Medicare into a poverty program in which the vast majority of beneficiaries receive barebones coverage.

An examination of the bill’s backers provides insight into its reactionary nature. Its chief House sponsor was Representative Michael Burgess, a right-wing Tea Party politician from Texas. Republican House speaker John Boehner, who crafted the bill alongside Democratic House leader Nancy Pelosi, described HR 2 as “The first real entitlement reform we’ve seen in nearly two decades”—a reference to Welfare “reform” passed in 1996 under the Clinton administration.

Representative Paul Ryan (Republican of Wisconsin), a presidential hopeful who has called for privatizing Medicare by replacing it with a voucher system, wrote in an op-ed piece calling for passage of the bill, “Medicare is going broke... that’s why we need these structural reforms.”

And in an article in the right-wing *National Review* headlined “A Medicare Bill Conservatives Need to Embrace,” Ryan Ellis wrote, “We can very reasonably anticipate a future where my daughter—who will turn 65 in November of 2078—will be a then-typical senior who pays for most of her own Medicare benefit. That will be largely thanks to HR 2...”

The current Medicare “reform” is in line with Obama’s signature domestic initiative, the Affordable Care Act (ACA). Under the ACA’s “individual mandate,” individuals and families without health coverage from their employer or a government program

such as Medicare or Medicaid are required to purchase coverage from private insurance companies. There is minimal oversight on what these insurers can charge their captive pool of customers, and many policies carry deductibles and out-of-pocket costs upwards of \$5,000 annually.

Obamacare was presented as legislation that would provide near-universal, high-quality health care to millions of Americans. Since its passage into law in 2010, the ACA has been exposed as a boondoggle for the health care industry that has forced millions of people to sign up for overpriced, substandard coverage. Those who remain uninsured have been slapped with tax penalties, while others who did sign up have faced rising premiums and collection calls from the government to pay up.

The *New York Times*, a fervent supporter of the legislation popularly known as Obamacare, has also campaigned relentlessly for reining in spending on “unnecessary” tests and procedures, particularly for Medicare recipients. Services targeted by the *Times* include mammograms and breast exams, heart stents, cholesterol drugs and prostate screenings, to name just a few.

Stated simply, the Obama administration and its “liberal” supporters, along with the overwhelming majority of the politicians in the two big-business parties, feel that drastic measures are required to counteract what they perceive as an unpleasant reality: seniors are living too long into retirement and sucking up health care resources.

To reverse this trend, measures being instituted through Obamacare and the new Medicare bill will result in reduced medical care, needless suffering and untimely deaths.

The new Medicare bill has been largely hatched as a conspiracy behind the backs of the American people. There were no Congressional hearings or public debate on the sweeping measures contained in the legislation.

The White House and politicians in Congress are well aware that Medicare and Social Security, the government retirement program, are widely popular and that moves to attack or privatize them will be met with suspicion and opposition. Hence their duplicity in pushing through their “reforms.”

The gutting of Medicare is part of an assault on health care that affects the working class and considerable

sections of middle-income families. Obamacare is also having the effect of dismantling employer-provided health care for active workers and retirees, the system that for seven decades has traditionally provided health coverage for most US workers.

The drive to slash Medicare spending and ultimately dismantle it is part of a broader strategy of the ruling elite, which seeks to boost its wealth and profits by clawing back the living standards and gains won by the working class in decades of struggle. These include not only Medicare, Medicaid and Social Security, but public education, the right to decent and affordable housing, and the right to culture.

A solution to the health care crisis cannot be left in the hands of the ruling elite and its political representatives. Medical care must be taken out of the hands of the for-profit health care industry and placed on socialist foundations, guaranteeing free, high-quality health care for all through the establishment of a democratically run, publicly owned socialized health care system.



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