

Fifty years on: Medicare under assault

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President Lyndon B. Johnson signed Medicare, the national health insurance program for Americans 65 years of age and older, into law on July 30, 1965. Medicare and the accompanying Medicaid health program for the poor were the last major social reforms enacted in the US and came at a time of intense crisis for American capitalism.

The mid-1960s saw a nation gripped by the civil rights movement and militant struggles by workers for higher wages and improved social conditions. Two weeks before Johnson signed the Medicare bill, a riot broke out in Harlem, New York following the shooting of a black teenager, one of the earliest of the numerous urban rebellions that would erupt over the next three years.

In the US pursuit of global domination, on March 8, 1965, 3,500 US Marines were dispatched to South Vietnam, marking the beginning of the US ground war in Southeast Asia. Only two days before signing Medicare into law, Johnson announced the doubling of draft quotas and the dispatch of another 50,000 troops to Vietnam. The war would end in a humiliating defeat for US imperialism a decade later, after the deaths of more than 58,000 Americans and millions of Vietnamese.

As with the Social Security Act under Franklin D. Roosevelt in 1935 and the establishment of industrial unions, Medicare was not granted out of the kindness of the hearts of the ruling class. It came as a concession to mass struggles carried out by the working class.

However, by today's standards, passages from the Democratic Party platform on which Johnson ran in 1964 sound radical. In a section titled "The Individual," the platform reads: "The health of the people is important to the strength and purpose of our country and is a proper part of our common concern. In a nation that lacks neither compassion nor resources, the needless suffering of people who cannot afford adequate medical care is intolerable."

From the start, Medicare fell far short of providing free and comprehensive medical care for all seniors. As originally enacted, the program provided for inpatient hospital care (Part A) as well as certain outpatient services (Part B), including preventive services, ambulance transport, mental health and other medical services. Part B has always required a premium payment.

In 1972, President Richard Nixon signed legislation expanding coverage for those under age 65 with long-term

disabilities and end-stage renal disease. Since 1997, enrollees had the option to enroll in Medicare Advantage (Part C), managed care programs administered by private companies. It was not until 2002 that optional prescription drug benefits (Part D), exclusively provided through private plans, were added under George W. Bush.

It is important to note that all components of Medicare, except for Part A in certain instances, carry premiums and deductibles. Despite these shortcomings, Medicare represented an important, albeit limited, advance in health care for seniors that was denounced as "socialism" in many ruling class circles.

The Medicare legislation faced significant opposition in both big business parties. The Democratic vote in favor of the bill was 57-7 in the Senate and 237-48 in the House. The Republicans opposed the bill 13-17 in the Senate and narrowly approved it in the House, 70-68.

Hostility to the legislation among leading Republicans was vociferous. Senator Barry Goldwater commented in 1964: "Having given our pensioners their medical care in kind, why not food baskets, why not public housing accommodations, why not vacation resorts, why not a ration of cigarettes for those who smoke and of beer for those who drink?"

In 1964, future president George H.W. Bush denounced the impending Medicare bill as "socialized medicine." While it was nothing of the sort, it was seen by many supporters as a first step toward the establishment of universal health care.

Despite its limitations, it is undisputable that the program has had an immense impact on the health and social wellbeing of the elderly population.

Largely as a result of Medicare and improved medical technologies, life expectancy at age 60 increased from 14.3 years in 1960 to 19.3 years in 2012. Prior to Medicare, about half of America's seniors did not have hospital insurance, more than one in four elderly went without medical care due to cost, and one in three seniors lived in poverty.

Some 53 million elderly are currently enrolled in Medicare. Today, virtually all seniors have access to health care and only about 14 percent live below the poverty line. Despite a relentless attack on Medicare services in recent years, Medicare is extremely popular—with 77 percent of Americans viewing it as a "very important" program that needs to be defended, according to a recent poll.

The program has been under assault from sections of the

political establishment and corporate America since its inception. In 1995, under the leadership of then-House Speaker Newt Gingrich, Republicans proposed cutting 14 percent from projected Medicare spending and forcing millions of elderly recipients into managed health programs. The aim, in Gingrich's words, was to ensure that Medicare was "going to wither on the vine."

In the most open threat to privatize Medicare, in the spring of 2014, Rep. Paul Ryan, Republican of Wisconsin, released a "Path to Prosperity" budget plan that slashed \$5.1 trillion over 10 years. Key to his blueprint was the institution of "premium support" in health care for seniors, essentially a voucher plan under which seniors could purchase either private insurance or Medicare coverage.

Fast-forward to the current presidential campaign. Republican candidate Jeb Bush, speaking at an event last week in New Hampshire sponsored by the billionaire Koch brothers, said of Medicare: "We need to figure out a way to phase out this program ... and move to a new system that allows them [those over 65] to have something—because they're not going to have anything."

Bush and others justify their proposals to privatize or outright abolish Medicare with claims that the program will be bankrupt in the near future. But a recent report shows that projected Medicare spending will account for 6 percent of Gross Domestic Product by 2090, down from earlier projections that it would make up 13 percent of GDP in 2080.

This is hardly an unreasonable amount to spend on the health of the nation's elderly population. This spending is also not a gift from the government, but is funded through deductions from the paychecks of workers all their working lives. However, the policy decisions of politicians in Washington are not driven by preserving the health and welfare of America's older citizens, but by the defense of the capitalist profit system.

While President Obama and the Democrats seek to distance themselves from proposals to privatize Medicare, Ryan and Bush only openly express what many Democrats are thinking. The Obama administration, with the Affordable Care Act (ACA) leading the charge, is working to gut Medicare and transform it into a poverty program with barebones coverage for the majority of working class and middle class seniors.

In 2013, the Congressional Budget Office estimated that the ACA would reduce Medicare spending by \$716 billion from 2013 to 2022. Under the first four years of the ACA, home health care under Medicare is being cut by 14 percent, including \$60 million in 2015 and \$350 million in 2016. While doing nothing to rein in the outrageous charges by pharmaceutical companies for cancer and other life-saving drugs, the Obama administration's proposed 2016 budget includes \$126 billion in cuts from what Medicare will pay for these drugs.

In what constitutes a historic attack on the program, Obama hailed as a "bipartisan achievement" passage of a bill in April

that 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.

It is telling that an article in the right-wing *National Review*, headlined "A Medicare Bill Conservatives Need to Embrace," hailed the legislation and said the effects of its structural reforms would be "permanent and cumulative."

The bipartisan backing for the Medicare bill is based on common agreement that Medicare spending must be slashed and a radical shift instituted away from the "lavish" fee-for-service system, in which supposed "unnecessary" tests and procedures are performed on Medicare patients, needlessly treating disease and extending their lives.

The president has claimed that the enactment of the program commonly known as Obamacare is the most sweeping social reform since Medicare was signed into law. This is a cynical lie. The ACA is, in fact, a social counter-reform that was aimed from the start at cutting costs for the government and corporations and reducing and rationing health care for the majority of Americans.

The ACA is designed to encourage employers to slash or end their employee insurance plans, forcing workers to individually purchase plans from private companies on government-run exchanges. The result will be the dismantling of the employer-provided health insurance system that has existed since the early 1950s, a vast increase in workers' out-of-pocket costs, and a decrease in the care they receive.

Medicare, one of the last vestiges of social reform from a previous era, along with Social Security, is being undermined. The social right to health care—along with the right to a livable income, education, housing, and a secure retirement—is incompatible with a society subordinated to capitalist forces.

True reform of the health care system requires that it be reorganized based on a socialist program that proceeds from the fulfillment of human needs, not the enrichment of a parasitic elite.



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