

Republican Congress, Trump plan assault on Medicare

Kate Randall

26 November 2016

During his election campaign, Donald Trump declared that he had no plans to make “substantial” changes to Medicare, the government-run health insurance plan for the elderly and disabled that covers 55 million Americans. The president-elect’s web site now says his administration will work to “modernize Medicare” and allow more “flexibility” for Medicaid, the health care program for the poor jointly administered by the federal government and the states.

These are code words signaling the readiness of the incoming administration to work with the Republican-controlled Congress to shift Medicare from a guaranteed government program to a plan with fixed government contributions—or vouchers—and to pave the way for the program’s privatization and dismantlement. Medicaid is to suffer a similar fate.

House Speaker Paul Ryan (Republican of Wisconsin) has been explicit about plans to gut Medicare. Under his plan, the government would give those in traditional Medicare a fixed amount to buy insurance. This amount would be tracked to the country’s overall growth rate or another index, plus a percentage increase, but it would not keep pace with rising health care costs. Seniors would eventually pay a larger share of costs, while government costs would shrink.

In an earlier version proposed by Ryan, cost-sharing—where the government currently pays roughly 70 percent of Medicare costs and beneficiaries pay 30 percent—would flip, leaving seniors responsible for 70 percent of costs and the government only 30 percent.

Skimpy vouchers would replace the current government guarantee, leaving traditional Medicare with a sicker, more costly insurance pool, with higher premiums. The *New York Times* quotes John K. Gorman, a former Medicare official who is now an insurance consultant, who said, “Regular Medicare

would become the province of affluent beneficiaries who can buy their way out of” private plans.

The vast majority of working-class and middle-income seniors would be squeezed out of Medicare and left with narrow network Medicare Advantage plans, which are run by private corporations. Such a shift would have catastrophic consequences for the millions of seniors who rely on Medicare. They would see their access to specialist doctors and hospitals, life-saving treatments and procedures sharply curtailed, resulting in unnecessary suffering and death.

The attack on Medicare is part of a frontal assault to be carried out by the Trump administration against all that remains of the social reforms wrested by the working class from the ruling elite over the last century. None of the social programs enacted in the 1930s and 1960s, including Social Security, the government retirement program, will be outside the scope of the social counterrevolution that is being prepared.

Trump is not the initiator of this class war against working people. It has been underway for decades, beginning in earnest with the election of Ronald Reagan in 1980 and continuing under every succeeding administration, including the eight-year tenures of Democrats Bill Clinton and Barack Obama. The colossal redistribution of wealth and income from the bottom to the top of American society reached record proportions under Obama, whose legacy of falling living standards and worsening economic crisis for tens of millions of workers was a decisive factor in the victory of the fascistic demagogue and con artist Trump.

Trump’s victory, however, with its shift to “fortress America” nationalism, signals a sharp escalation of this class war policy.

No one should take for good coin claims by House Minority Leader Nancy Pelosi and other congressional Democrats that they will wage a serious fight against measures to undermine Medicare. In the short period since the General Election, President Obama and the Democrats have fallen all over themselves to pledge support for the incoming administration, maintaining a cowardly silence over the fact that Trump lost the popular vote by millions of ballots. The trade union bureaucracy has likewise signaled its eagerness to work with Trump in pitting American workers against their class brothers and sisters in China, Mexico and the rest of the world.

Trump's plans for "flexibility" in Medicaid include transforming funding for the program into block grants for the states, in which a fixed and likely reduced grant would be provided to states to administer the health program for the poor. In those states that have expanded Medicaid under the Obama administration's Affordable Care Act (ACA), including those run by Republican governors, block grants would mean deep cuts to already meager benefits.

While Trump and the Republicans rail against the ACA, commonly known as Obamacare, and vow to repeal many of its features if not the entire program, the Ryan plan for Medicare draws on some of the ACA's most regressive features. Since Obama's signature domestic program became law in 2010, the Department of Health and Human Services (HHS) has worked at breakneck speed to transform Medicare's fee-for-service payments into a system that rewards doctors and hospitals for cutting costs.

HHS projects that nearly every fee-for-service payment to Medicare will be tied in some way to "value" by 2018. A recent estimate by the Congressional Budget Office anticipates a reduction in Medicare spending under Obamacare of \$716 billion from 2013 to 2022.

The ferocity of the coming attacks on the basic social needs of the working class—health care, education, decent-paying jobs, pensions—is prefigured in the gang of billionaire parasites being assembled by Trump to staff his cabinet, virtually all of whom have made their fortunes by savaging workers' living standards and attacking social programs.

Billionaire Betsy DeVos, Trump's pick for secretary of education, is a leading proponent of charter schools

and vouchers and vehement enemy of teachers and public education. Investor and former banker Wilbur Ross, Trump's likely pick for secretary of commerce, made his fortune through leveraged buyouts of distressed steel and coal companies. He made billions by downsizing firms, slashing wages and pensions, and selling off what remained for a hefty profit.

The incoming administration has singled out the 2.7 million US federal employees for attacks on jobs, employment security and pensions.

Millions of workers are in for a huge shock when they see the reality behind Trump's promise to "Make America Great Again." The realization that they have once again been deceived by a capitalist con man will fuel the growth of social opposition.

Democratic Party politicians, on the other hand, who insisted during the election that Trump was "unfit" for the presidency, are now working to accommodate themselves to his agenda. It is not the wealthy upper-middle class that forms the Democrats' main base of support, beyond Wall Street and the military/intelligence establishment, that will be hammered. Indeed, as the stock market surge since Trump's election indicates, they stand to make themselves even richer off of the misery of working people and youth.

This party of big business, from Barack Obama and Hillary Clinton to Bernie Sanders and Elizabeth Warren, is a thousand times more fearful of a mass movement of the working class against capitalism than it is of Trump's ultra-right agenda.

That can be halted only by a political movement of the working class consciously directed against the entire political order and the capitalist system it defends.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact