

At Davos, Trump announces plans to cut Medicare and other social programs

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President Donald Trump has indicated he is considering cutting funding to entitlement programs such as Medicare within the next year. In an interview at the World Economic Forum at Davos, Trump said social programs would be targeted to reduce the federal deficit.

A CNBC interviewer asked Trump whether cuts to entitlements would ever be on his agenda. He replied, “[A]t some point they will be.” When the interviewer pointed out that Trump’s statement directly contradicted his 2016 campaign promises not to touch these programs, Trump pointed to recent economic growth.

“We also have assets that we’ve never had. I mean we’ve never had growth like this. We never had a consumer that was taking in, through different means, over \$10,000 a family. ... Look, our country is the hottest in the world. We have the hottest economy in the world. We have the best unemployment numbers we’ve ever had. African American, Asian American. Hispanics are doing so incredibly. Best they’ve ever done.”

The reality is that the majority of the American population has seen little benefit from the “booming” economy and the figure of \$10,000 per family is a complete fabrication. Report after report indicates that the social situation of the working class is becoming increasingly dire, and life expectancy, the most elementary indicator of social well-being, has declined in every year of Trump’s presidency. Workers live without proper access to basic health care, decent paying jobs, and struggle to secure basic necessities. In fact, the rapid growth of the stock market is a direct product of deliberate attacks on the living conditions of the working class.

As for Trump’s plans to cut Medicare funding, his

administration has already proposed and enacted cuts to social safety-net programs. His latest budget proposal called for a total of \$1.9 trillion in cost-cutting measures for social programs such as Medicare and Medicaid. The proposal also called for a reduction of \$26 billion in spending for Social Security.

Trump’s threatened cuts to Medicare would represent a huge assault on the program that has paid for health care for seniors and disabled individuals for over 50 years. According to the 2019 Medicare Trustees Report, Medicare provides health insurance for more than 60 million people. An increasing number of doctors refuse to accept Medicare, deeming the reimbursement too low, and there are considerable gaps in coverage, such as vision and dental, but the program is the main health care lifeline for older Americans.

In addition to cuts to Medicare, the Trump administration wants to grant states waivers allowing them to convert Medicaid funding to block grants. Medicaid is the primary source of health care for the poorest Americans, providing one in five low-income individuals with coverage. The program provides free health coverage for more than 74 million people, or 23 percent of the US population.

Currently, the program is jointly administered by the federal and state governments, and the federal and state governments share the cost, with the bulk of the money coming from Washington. Under a block grant system, states would be given a flat sum of money to spend on health care. As health care costs rise, state governments would respond by tightening eligibility requirements, imposing work requirements, and cutting coverage. Block grants would dismantle Medicaid as a guaranteed entitlement, inevitably leaving millions without health insurance.

Trump’s aggressive attacks on social programs take

place against the backdrop of the impeachment trial. The Democratic Party is not seeking to remove Trump from office due to his assault on the basic rights of the working class—attacks on social programs, immigrants and basic democratic rights. Instead, the president has lost the confidence of the Democratic Party, the military and intelligence agencies to carry out the aims of American imperialism. In their obsession with “national security” and Russia, the Democrats are complicit in the social counterrevolution being waged against the working class.

The attacks on social programs are in fact a bipartisan policy. The massive cuts to social programs began in the Obama administration, which proposed billions in cuts to Medicare reimbursements to finance the Affordable Care Act (ACA). This law required workers without health insurance from their employer and ineligible for Medicaid to purchase health coverage from a private insurer. The ACA offered plans with high premiums and deductibles that left workers and their families nominally “insured,” but often with substandard coverage and care.

These policies, combined with Trump’s proposed cuts, affect the most vulnerable layers of the population. Trump’s recent proposed changes to eligibility for the Supplemental Nutrition Assistance Program (SNAP) would rob half a million children of free school meals. Furthermore, a rule change will go into effect this April which will deprive nearly 700,000 people of food stamp assistance through SNAP.

The human impact of the coordinated assault against the working class is laid bare by multiple social indicators. A 2019 study published by the Commonwealth Fund found that the decline in US life expectancy from 2015 to 2017 was tied to a sharp increase of “deaths of despair.” It also showed that the rise in deaths from drug overdose, alcohol abuse and suicide are tied to the lack of access to health care. Moves to slash funding to Medicare and Medicaid will only exacerbate this situation.

The profound impact of social inequality on the lives of workers was further demonstrated by a recent study reporting that the rich in the US and UK are likely to have almost 10 more healthy years in late life than the poor. Wealthy men and women in the two countries have an average of eight to nine more years of life without disability than the poorest.

All of this data points to an unprecedented health crisis. However, the crisis is not a natural phenomenon. It is a product of the greed and indifference of the American ruling class. Workers are told there is no money for social benefits, yet each year billions more dollars are allocated for the enrichment of the financial elite and the US war machine.

Trump’s threat to attack Medicare and other social programs raises the necessity for the working class to organize a struggle in defense of these social rights independently of the two big business parties. Workers and youth should not be hoodwinked by the pledges of Democratic presidential candidates Senators Bernie Sanders and Elizabeth Warren that they will enact “Medicare for All,” or any progressive changes to the US health care system, should they take the White House. These promises are made in full knowledge that both capitalist parties, the Democrats as much as the Republicans, defend for-profit health care and will oppose the implementation of any measures that threaten the profits of the drug companies, hospital chains and other corporate interests.

There is no way that the insurance and health care profiteers will peacefully relinquish their control over the health care delivery system in America. Workers must adopt an independent policy to fight for the interests of the working class that rejects the for-profit health care system and fights for the expropriation of the health care industry and its reorganization in the interests of the working class under the control of a workers’ government.



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