



Under ObamaCare, Medicare Is Literally A Death Trap For Seniors

By Peter Ferrara

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Debbie Wasserman Schultz, chairwoman of the Democratic National Committee, described the Medicare reforms proposed by House Budget Committee Chairman Paul Ryan as "literally a death trap for seniors." White House spokesman Jay Carney told reporters that Ryan's reforms would "change Medicare as we know it."

But it was ObamaCare that already changed Medicare as we know it, transforming it literally into a death trap for seniors.

The National Center for Policy Analysis in Dallas explains, based on official government reports, that ObamaCare cut future Medicare payments to doctors and hospitals for seniors retiring today by an average of \$36,000 per retiree, adding up to trillions in Medicare cuts for health care for seniors in coming years.

Medicare's chief actuary reports that by the end of this decade Medicare will be paying less to doctors and hospitals for senior care than Medicaid, which pays so little that it leaves the poor unable to find timely essential health care.

Ultimately, Medicare payment rates will be one-third of what is paid by private insurance, and only half of what is paid by Medicaid. ObamaCare also established the Independent Payment Advisory Board (IPAB), an unelected, appointed body with the power to adopt still more Medicare cuts as it deems necessary.

Such draconian Medicare cuts would create havoc and chaos in health care for seniors. Chief Actuary Rick Foster further reports that even before these cuts, two-thirds of hospitals were already losing money on Medicare patients.

Doctors, hospitals, surgeons and specialists providing critical care to the elderly such as surgery for hip and knee replacements, sophisticated diagnostics through MRIs and CT scans, and even treatment for cancer and heart disease will either have to withdraw from serving Medicare patients, or eventually go into bankruptcy.

If the government is not going to pay, then seniors are not going to get the health services, treatment and care they expect.

Contrary to the silliness of Wasserman Schulz and Carney, Ryan's Medicare reforms would simply extend the popular and successful policies of Medicare Parts D and C to Medicare Parts B and A.

Medicare Part D is the prescription drug program. Just like Ryan's proposed Medicare reforms, Part D provides premium support payments to seniors, which they use to purchase the private prescription drug coverage of their choice.

Because of the private market competition, and incentives for seniors to choose lower cost plans, Part D costs have run 40% below projections. Compare that to Parts A and B, which by 1990 cost 10 times the original projections for that year when the program was adopted.

Medicare Part C is Medicare Advantage, under which nearly 25% of seniors have already chosen private insurance to provide all of their Medicare coverage. Seniors believe they get a better deal through this highly popular program due to choice and competition, though it too is now being eviscerated by ObamaCare.

Seniors would be far better off under the Ryan reforms extending these policies to all of Medicare than they would be under ObamaCare's Medicare. First, ObamaCare's Medicare changes apply to seniors already retired today, while today's seniors are exempt from any change under Ryan's reforms.

Ryan would empower workers under age 55 today when they retire in the future with the choice of a private plan competing alongside traditional Medicare. Medicare would provide these seniors with a premium support payment they could use to pay for or offset the premium of the private plan they chose.

Ryan includes extra assistance for lower income seniors to protect them from any added costs, while means testing the assistance for higher-income seniors like Medicare Parts B and D do today.

Moreover, private insurers competing for seniors under this reform would be required to take all that chose them, at standard market rates for the seniors, regardless of age or health condition, with no exclusions for pre-existing conditions.

Ryan's Medicare would provide higher payments to the insurers for sicker seniors. It would also assess a fine on insurers covering more low-risk seniors, and pay incentive payments to insurers covering more high-risk seniors. This would create special competition in the private market focused on serving the sickest most in need of first-rate health care.

These are the reasons why Ryan's careful, thoughtful Medicare reforms enjoy bipartisan support, including from ultraliberal Oregon Sen. Ron Wyden, and from long-time liberal academic Alice Rivlin, the godmother of the CBO, serving as its first director.

These reforms are better for seniors than ObamaCare's Medicare most of all because they free seniors from the cuts and government health-care rationing involved in ObamaCare's mangling of Medicare, by allowing them to choose private insurance paying market rates instead.

Only through such private insurance will seniors be able to continue to enjoy the high quality, most advanced care they have come to expect from Medicare.