



Sides Sharpen Medicare Attacks, but Both Plans Cut Benefits

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2011 Accusations are flying in the political world over who would do what to cut Medicare spending, as a new analysis shows even President Obama's plan would cut benefits for seniors.

But Democrats are fixated on Wisconsin Rep. Paul Ryan's budget, which Senate Majority Leader Harry Reid says he plans to bring to a vote in the Senate.

"The primary conversation this week will be about the Republican plan to kill Medicare," Reid said Monday on the Senate floor.

Most Republicans see it very differently than him, noting Medicare is tens of trillions of dollars short of paying for promised benefits and is headed for bankruptcy.

They argue Ryan, the House Budget Committee Chairman, is only trying to save the program, not kill it.

"[R]egardless of which approach you take, Medicare is going to change, or it won't be there for anyone," Senate Majority leader Mitch McConnell, R-Ky, told Chris Wallace on Fox News Sunday.

Democrats argue President Obama's health care law passed last year, which cut \$500 billion from Medicare, would preserve the system by reforming Medicare.

But using the annual reports from the Medicare Trustees, including Obama's Health and Human Services Secretary Kathleen Sebelius, two analysts say the president's own plan would actually cut seniors' benefits.

The two analysts, John Goodman and Tom Saving, project a loss of benefits for three key age groups.

Future benefits for those now 65, they say, would be reduced by almost \$ 36,000. For those who are 55, the total reduction is about \$ 62,000. And for those who are 45, the total reduction in future benefits would add up to more than \$105,000.

The reason is that the recent health care law cut \$500 billion from Medicare, which it hopes to save by paying less to doctors, hospitals and other providers.

But one of the authors, John Goodman, of the National Center for Policy Analysis, says "the president's plan is going to cause pain for seniors. It's going to spend progressively less than everybody else is spending on health care. The seniors are going to have a harder time finding a doctor who will see them, facilities that will admit them."

The administration argues no one will have to pay more because doctors and hospitals will be more productive, increasing efficiency at the same rate as manufacturing facilities like an auto plant.

The Chief Actuary of Medicare fears that won't work. The office issued an analysis Monday calling that and other assumed savings "implausible," and fears the savings will not materialize, either making Medicare far more expensive or making it harder for seniors to get proper care.

If that doesn't hold down costs, the president has a backup plan, a board with the power to simply reduce payments to providers when necessary.

Rep. Ryan puts it this way. "The president's plan is to give the government the power to deny care to seniors by empowering a panel of 15 unelected bureaucrats to put price controls and rationing in place for current seniors."

Democrats have their own attacks. In a new television ad, Democrats accuse Paul of "ending Medicare as we know it" with his plan to have the government pay private insurance plans to compete for seniors, known as "premium support," instead of having the government pay every medical bill that comes in, known as "fee for service."

The ad features Ryan look-alike rolling an elderly lady in a wheelchair toward a cliff where he dumps her off the edge, a not so subtle suggestion of how his plan would affect seniors.

Ryan knows the plan is controversial, but argues at least he is trying to find some way to save the program. He says he is willing to negotiate with anyone who is willing.

"We're offering details," he says. "We have no partners on the other side of the aisle offering anything but misleading scare tactics."

The sad reality is that "Medicare as we know it" simply cannot survive. It has promised tens of trillions of dollars more in benefits than it can pay for.

Critics on both sides agree for the most part that without reform of some kind, the program will collapse.

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