

Battle over Medicare at center of 1996 election

by Nancy Spannaus

Taking advantage of the fact that July 30 marks the 30th anniversary of the introduction of Medicare, the health safety net for senior citizens, President William Clinton and the Democratic leadership of both houses have declared an all-out political fight to save the program, from the more than \$250 billion in cuts contained in the Republican budget. In ceremonies held on Capitol Hill on July 25, and to be amplified in Independence, Missouri on July 30, Democratic congressmen and administration officials cited the federal commitment to Medicare as the crucial dividing line between the Democratic and Republican party agendas.

In this case, it's not just rhetoric. The issue of a federal government commitment to provide health care for the elderly through the Medicare and Medicaid programs, is a fundamental fault line dividing the adherents of House Speaker Newt Gingrich (R-Ga.) and Sen. Phil Gramm's (R-Tex.) Conservative Revolution team, who want to dismantle government for the benefit of greedy private interests, from those Democrats and Republicans who understand the constitutional responsibility of government to care for the population.

Thus, Medicare is likely to be *the* crucial domestic issue of the 1996 federal election campaign. It has already become clear to many senior citizens, who like the general idea of reducing government, that the "reforms" of Medicare and Medicaid being proposed in the Republican budget plan, are going to vastly reduce their medical care. This will be either through forcing hospitals into bankruptcy, through lowered payments, or through increased payments required from the elderly themselves. Given that the elderly are well-organized into national groups like the American Association of Retired Persons, they are likely to mobilize energetically.

It is useful to recall that it was the last-minute mobilization by senior citizens against Oliver North, who had mooted the possibility of privatizing Social Security, that ensured

that Conservative Revolution demagogue's defeat in the 1994 Virginia race for U.S. Senate. Clearly, some in the Democratic camp are hoping for the same effect in the elections to come.

Medicare's reality

Why is Medicare an issue in the budget fight? Mostly because, as in the case of Social Security, it represents a large portion of the federal budget which some private enterprises (to put it politely) want to get their hands on.

Medicare expenses have grown dramatically, since the inception of the health insurance program in 1965. Due to the growth of the elderly population, and overall inflation of health care costs, Medicare costs have grown from approximately \$7.6 billion in 1970, to \$122.8 billion in 1990, and continue to rise. Taxes on workers' incomes have been increased to pay for the rise, but the rate of growth is increasing. This year the trust fund's trustees said it could go bankrupt in seven years.

There are two fundamentally different ways of approaching this problem. The first, which is unfortunately shared by many Democrats as well as Republicans, although their proposals are not as radical, is to cut costs. This means reducing and cheapening health care services, limiting eligibility, squeezing doctors, and so forth. The second approach is that taken uniquely by the LaRouche wing of the Democratic Party: increasing the productivity of the economy as a whole, and expanding health care facilities, so that the economy can afford to carry out its moral obligations to the older population.

There is no question but that the first approach will result in triage, i.e., the prioritization of who will be treated, in such a way that many of those needing care are eliminated. Already, the cutbacks in the fee schedules Medicare will pay

for various medical procedures, have put the squeeze on hospitals and doctors. Hundreds of hospitals which service primarily indigent patients, have been forced to close. If senior citizens are forced to pay more on their own for services, they will undeniably be forced to forego care. The end result in both cases is that more lives will be lost. Health cuts kill.

Gingrich's gobbledygook

The Republican Contract with America approaches the problem of health care for the elderly by claiming that it wants to give them more "freedom." The long-term plan, outlined by numerous Conservative Revolution think-tanks, is to "eliminate the need for Medicare," by replacing it with private savings programs.

In the short term, however, the Contract's commitment to budget-cutting means that Medicare (and Medicaid, the health program for the indigent, which also serves a good many elderly) gets slashed. The cuts in federal payments are allegedly geared to creating "efficiencies," like directing the elderly in managed care situations with health maintenance organizations. The problem for the patients, is that HMO care is primarily a tool for cost-cutting, not medical treatment.

When confronted with this reality, Gingrich comes up with a lot of doubletalk. In response to the Medicare 30th Anniversary celebrations, for example, Gingrich said of President Clinton: "He knows better. He knows his numbers are false. He knows his analysis is false. I think trying to scare senior citizens as a re-election technique is frankly a very despicable strategy."

But Gingrich, and his Republican allies, cannot deny the fact that their proposed cuts in Medicare and Medicaid—amounting to \$270 billion—do indeed essentially balance off against the \$245 billion tax cut which they want to give to what they call the "middle class," basically households which have the money to make investments, instead of those, the majority of households, which are struggling to make ends meet.

The Medicare record

The speeches given at the National Council of Senior Citizens ceremony to mark Medicare's 30th anniversary were feisty, and to the point. If the Democrats don't compromise with this approach, there is no question but that the Contract budget can be defeated. That is the first step to developing a competent solution.

First to speak was House Minority leader Richard Gephardt (D-Mo.), who accurately reported: "Back in the 1950s, less than half of all seniors in this country had health care at all, even had the ability to go see a doctor. Today that number is more than 97%.

"So when our Republican friends say they want to save Medicare, by forcing seniors to give up their choice of doctors or plan; strengthen Medicare by making seniors pay nearly \$1,000 more to keep it, money that most seniors do

not have . . . we have every right to be skeptical.

"When [House Majority Leader] Dick Armey [R-Tex.] says he resents Medicare as an imposition on his life, that's not a slip of the tongue. It's a Republican policy that stretches back over 40 years."

Senate Minority leader Tom Daschle (D-S.D.) cited the legacy of President Lyndon Johnson, who fought to implement Medicare, as he did the Voting Right Act. He said, "In 1965, President Johnson went before Congress to urge support for this program, and he put the case very plainly. He said, and I quote, 'I'm proposing that every person over the age of 65 be spared the darkness of sickness without hope.' Medicare is still the best hope for older Americans to avoid the darkness."

Many speakers cited the outrageous opposition which the Republican Party of the 1960s mounted to the government insurance program—how they tarred it as "socialism," and other drivel. Instead, Rep. John Dingell (D-Mich.) noted, it's been a great success. "Before Medicare, one of three Americans who were senior citizens lived in poverty. Today it's one in ten," he said.

Health and Human Service Secretary Donna Shalala was commended for going out on the hustings to defend this government program.

A commitment

President Clinton and Vice President Al Gore concluded the speeches. The vice president, whose father was a leading Democratic senator in the 1960s, recalled the fights from that period. He noted the tremendous benefit Medicare has been for poor seniors, as it has given 83% of its benefits to those with incomes of less than \$25,000 a year.

The President excoriated the Republicans. "The congressional majority appears to be choosing for the first time ever to use the benefits we provide under Medicare, paid for by a dedicated payroll tax, as a piggy bank to fund huge tax cuts for people who don't really need them. . . . They . . . would cut \$270 billion from Medicare, and raise Medicare premiums and out-of-pocket costs an average of \$5,600 per couple over seven years, even for people who don't have enough money to get by as it is. They want to use this to pay for \$245 billion tax cut."

"Those who want to gamble with Medicare are asking Americans to bet their lives. . . .

"My fellow Americans, this is a big fight, but it is not just for the seniors in this audience and in this country, it's for all their children. Most senior citizens have children that are working harder for the same or lower pay than they were making five or ten years ago. They have their own insecurities and their own problems. They need their jobs and their incomes and their children's education and their own health care stabilized. . . .

"The worst thing we could do is to tear down Medicare. That would increase insecurity, not just for the elderly, for all Americans. It would cloud the future of this country."