

Tea Party groups see Medicare overhaul chance

by David Morgan, Last updated August 03, 2011



WASHINGTON (Reuters) - With Medicare at the top of lawmakers' fall agenda, Tea Party movement leaders hope to ignite support for Republican plans to transform the popular federal healthcare program for the elderly.

Thousands of Tea Party movement activists are expected to descend this month on town hall meetings across key battleground states as part of an intensifying campaign ahead of the 2012 presidential and congressional elections.

Their priority is a plan to slash Medicare costs proposed by House of Representatives Budget Committee Chairman Paul Ryan, which could gain momentum now that a debt-limit deal between President Barack Obama and Congress has made potential Medicare cuts a centerpiece of the deficit debate.

A new congressional committee charged with finding \$1.5 trillion in spending cuts by November 23 is expected to focus on Medicare, and the program would see automatic cuts if the committee failed to reach agreement, or if Congress did not approve its recommendations by December 23. Market values of companies that depend on Medicare spending fell more than 10 percent in a sell-off on Wall Street after the agreement.

"The August town halls are going to be, potentially, a referendum on Democrats who don't care and Republicans who've dared to offer real policy solutions, particularly on things like entitlements," said Matt Kibbe, president of FreedomWorks, the small-government advocacy group organizing the initiative.

"The Ryan plan is the only one out there so far, and what we need is an adult conversation with all politicians talking about the real issues."

Decried by retirees, labor unions and Democrats as a voucher system that would end Medicare, the Ryan plan appeared near death after opposition to it helped Democrats capture a congressional seat in a Republican stronghold in upstate New York in May.

But FreedomWorks, which helped found and shape the Tea Party movement, sees its campaign as the opening salvo in a long battle to secure a place for the Ryan plan in the 2012 debate and the legislative session that will begin in January 2013.

RISKS FOR REPUBLICANS

The gambit poses risks for Republicans in swing states including Florida, Pennsylvania and Ohio, which FreedomWorks is targeting.

At stake is the support of senior citizens, a powerful bloc of swing voters who broadly oppose the Ryan plan and could punish its supporters in Congress if Republicans fail to turn the debate in their favor, according to analysts.

The Ryan plan - which the House approved in April but which went nowhere in the Democratic-led Senate - would preserve Medicare for current beneficiaries but transform it for future retirees from a system that provides guaranteed benefits to one that gives the elderly financial assistance to buy private insurance.

Polls point to broad public support for preserving Medicare in the deficit debate, with majorities favoring higher taxes for the wealthy over program cuts.

Still, a June CBS poll showed that nearly 60 percent of Americans know little about the changes proposed by the Ryan plan, suggesting that many voters have yet to form an opinion.

FreedomWorks faces a daunting challenge from Democrats and progressive groups including the coalition Health Care for America Now, which pushed for healthcare reform in 2010 and intends to defend that new law and Medicare against Republican attacks through the 2012 election.

"Each side is going to try to scare the hell out of seniors. And they're going to do that because it works. It motivates seniors to get to the polls," said Michael Cannon, a health policy expert at the libertarian Cato Institute.

Kibbe, whose group is led by former House Majority Leader Dick Armey and claims 800,000 volunteers nationwide, says Republicans lost in New York because they abandoned the Medicare debate to Democrats.

Republican lawmakers now need to come out swinging before the same thing happens elsewhere, he says.

"If they don't do that, we won't win this debate," Kibbe told Reuters. "You can't move a legislative initiative unless you've vetted it through the political season."

'PUBLIC EDUCATION CAMPAIGN'

Ryan himself appears to agree and has been promoting his views on television and in a Wall Street Journal Op-Ed piece.

"We need a public education campaign and that means people from all around the country, different groups, need to engage with their people," Ryan told CNBC a day after the House approved the debt limit deal.

"You've got to have wherewithal to get out to the public to educate them as to the pending bankruptcy of Medicare."

A perennial campaign issue, Medicare could be key in 2012 House and Senate elections in swing states and could help determine the outcome in the White House race as Democrat Obama takes on a Republican challenger.

Senior citizens demonstrated their electoral clout in last November's midterm elections, when they rebelled against Obama's healthcare reforms in large enough numbers to help Tea Party activists install a Republican majority in the House.

People age 60 and older accounted for 34 percent of the vote, even though they make up only about one-quarter of the population, according to a July 29 article in the New England Journal of Medicine.

Robert Blendon, who teaches health policy at the Harvard School of Public Health, says elderly voters fear the Ryan plan could undermine support for Medicare among younger taxpayers by denying current benefits to future retirees.

But the current Democratic edge might disappear quickly if elderly voters associated Obama with program cuts that could come under the deficit-cutting deal.

"If their take-away is that neither party stood up for us, Medicare won't play a big role," said Blendon, who co-authored the New England Journal of Medicine article.