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GOP running political risks with Medicare reforms

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 [3771956_0.jpg](#) When the House passed the Republicans' budget plan for 2012 on Friday, it included a Medicare proposal that would drastically alter the costly system and force both parties into a debate over entitlement reform that could dominate the political landscape for months to come.

The proposal was written by House Budget Committee Chairman Paul Ryan, R-Wis., who included it in his budget blueprint labeled "The Path to Prosperity."

Ryan wants to end the government's responsibility for providing health care for seniors under the current Medicare system and instead provide subsidies to be used to buy private insurance policies. Ryan also proposed transforming Medicaid, the federal-state health care system for the poor, into a block grant system that allows each state to decide how to spend a limited amount of federal money.

Medicare, along with Social Security, has long been considered the "third rail" of politics - messing with either was the surest way to ensure election defeat. But Republicans who swept control of the House last fall in large measure because they committed to drastically curbing federal spending couldn't ignore the entitlement programs if they were going to deliver on their campaign pledge.

In proposing his Medicare reforms as part of a plan to trim the deficit by \$6 trillion over 10 years, Ryan warned that the entitlement programs will become insolvent if costs are not contained.

"This is the only way these programs can hope to survive and function into the future," Ryan said.

Democrats, however, are eager to use the reforms to score political points, promoting Ryan's plan as a Republican attack on seniors.

"If you are in your golden years, it's the road to ruin," Rep. James Clyburn, D-S.C., said.

Under Ryan's proposal, Medicare recipients in 2022 would receive "premium support" to buy private insurance from a federally approved list of companies. The government would

pay insurance companies based on a sliding scale tied to income, with the wealthiest seniors receiving the least.

"A simple way to explain it is it moves away from centrally planned health care toward consumer-driven health care for the elderly," said Chris Edwards, director of tax policy studies at the Cato Institute, a libertarian think tank. "Rather than hundreds of billions of dollars flowing to doctors and hospitals, the money would flow to individual retirees and they would use it to make better health care decisions."

Ryan's proposal would raise the age of eligibility for Medicare from 65 to 67 by 2033 and to 69 by 2075.

Republicans argue that Ryan's plan cuts costs by motivating seniors to search for less costly health care, creating incentives for hospitals and doctors to cut costs.

But critics say the plan shifts the costs onto the backs of senior citizens.

The Center for Economic Policy and Research estimates that seniors would pay up to 68 percent of their own health care costs by 2050

"It's not clear to me that they will even have anything that will be as good as Medicare at the same price," Rep. Henry Waxman, D-Calif., the top Democrat on the House Energy and Commerce Committee, told The Washington Examiner. "Medicare is a lot less expensive than private insurance programs so it will cost more, and seniors will have to make up that cost."

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