

Wednesday, May 18, 2011 10:24 AM

## Who's Right on Medicare Reform, Ryan and Rivlin or Obama and Gingrich? Cato Institute Praises Paul Ryan's Medicare Voucher Proposal

### Who's Right on Medicare Reform, Ryan and Rivlin or Obama and Gingrich?

Paul Ryan has a plan to fix Medicare with a program of vouchers. Surprisingly, Newt Gingrich blasted Ryan's plan calling it "right-wing social engineering." Gingrich is opposed to "Radical Change".

The LA Times reports [Paul Ryan defends Medicare plan in wake of Newt Gingrich's slam](#)

Rep. Paul Ryan spent Monday defending his plan to radically rework Medicare after it came under fire in surprising fashion from a fellow Republican, Newt Gingrich.

Gingrich became the first GOP presidential candidate to openly rip the plan, which would convert Medicare into a private insurance program, after the proposal -- part of a House budget blueprint to tame federal spending -- drew heavy criticism from some voters, and polls showed it to be unpopular.

"The budget passed by the House last month takes credible steps to controlling healthcare costs," Ryan, chairman of the House Budget Committee, said in a speech to the Economic Club of Chicago. "It aims to do two things: to put our budget on a path to balance, and to put our economy on a path to prosperity."

Gingrich had called Ryan's proposal "right-wing social engineering." He said the effort imposed "radical change."

Ryan's plan would provide those 54 and younger with subsidies to purchase private health insurance, rather than relying on the government as the insurer. His speech appeared to be an attempt to draw a sharper distinction between his approach and the healthcare overhaul passed last year by the Democratic-led Congress and backed by President Obama. He argued that his plan will make Medicare more efficient while the Democratic plan would lead to rationed care for seniors.

"Our budget makes no changes for those in or near retirement, and offers future generations a strengthened Medicare program they can count on, with guaranteed coverage options, less help for the wealthy and more help for the poor and the sick," Ryan said. "Our plan is to give seniors the power to deny business to inefficient providers. Their plan is to give government the power to deny care to seniors."

Meanwhile, Gingrich began a campaign swing in Iowa as a full-fledged candidate for the presidential nomination, and he too turned to healthcare in remarks in Dubuque, calling for a repeal of the new healthcare law.

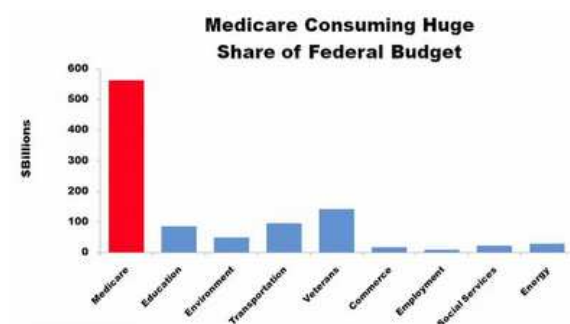
### Cato Institute Praises Paul Ryan's Medicare Voucher Proposal

Cato weighs in on the side of Paul Ryan with a video that explains how a "premium-support" plan would solve Medicare's fiscal crisis and improve the overall healthcare system.

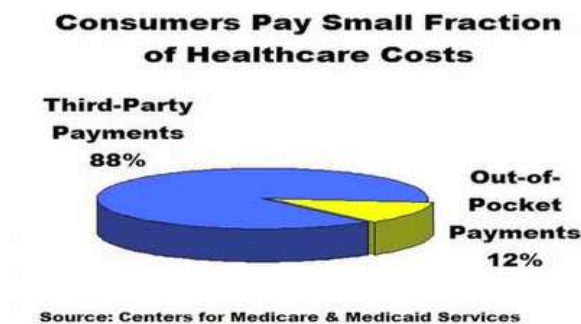
Dan Mitchell at the Cato Institute created the above video and commented on it in [Who's Right on Medicare Reform, Ryan and Rivlin or Obama and Gingrich?](#)

I took a few snapshots from the above video.

### Medicare Costs



### Costs Born by Consumers

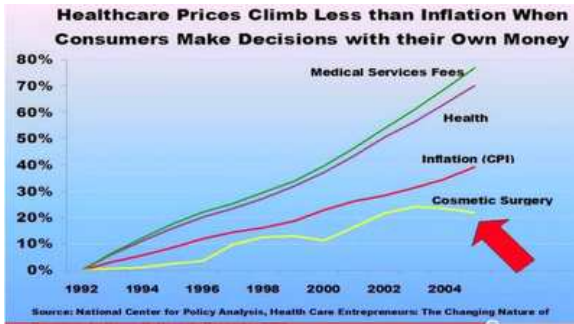


### No Incentive For Consumers To Reduce Costs



**Which Car Would You Buy If Government Paid 88% of the Cost?**

### Cosmetic Surgery Shows What Happens When There Is Competition



### Vouchers or Rationing?

**Vouchers would protect seniors from the rationing envisioned by Obama's Independent Payment Advisory Panel (a.k.a., the "death panel").**



### Big Government Cannot Fix Big Government

"When people get to shop and consume with other people's money, it is a recipe for spiraling costs".

Those seeking more government regulation to fix the problem of Medicare fraud, waste, and bureaucracy fail to understand one guiding principle: Big Government cannot fix big government, it can only make matters worse.

### Radical Change Needed

The above slides clearly show that radical change is needed. The pertinent question is whether or not Paul Ryan's plan is radical enough. Therefore, Gingrich blew it with his comments.

At a minimum, Ryan's proposal creates incentives for consumers to reduce cost and that is something desperately needed.

The Libertarian solution would be to simply cut Congressional funding altogether. However, regardless of how one feels about a true Libertarian approach, it is not going to happen. Congress is not going to completely abandon Medicare.

From a pragmatic standpoint, and you are going to hear me talking more from a pragmatic standpoint in the days to come, we need to focus on what is doable.

From that perspective, Ryan's proposal may not be the best theoretical approach, but it is the best proposal to-date that has a chance of passing.

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