



Sebelius: Cutting Medicare Won't Reduce Health Costs

By Lisa Barron March 27, 2013

The Obama administration warned Tuesday that proposed cuts in Medicare could result in higher costs in the private healthcare sector and will not resolve underlying federal budget problems.

Speaking at a White House briefing, Health and Human Services Secretary Kathleen Sebelius said, "If you only focus on Medicare, you shift the costs" to the private sector, according to USA Today.

"You don't do anything about the trajectory the U.S. is on ... unless you concentrate on the underlying costs," she said.

Sebelius reiterated that Medicare and Medicaid costs are increasing slower than are costs in the private healthcare sector. She cited figures showing that because of President Obama's healthcare-reform law, the Medicare spending rate is lower than it has been in 50 years and Medicaid spending dropped 2 percent last year.

"The early signs are incredibly reassuring," said Sebelius, acknowledging that given the House's recent vote to repeal Obamacare, she doesn't "have a lot of confidence" that her department will get additional funding to fully enact the law next year, reported USA Today.

Her concerns, the newspaper noted, may be well-founded, given the fact that conservative groups remain determined to defund Obamacare.

The Cato Institute last week repeated its call for states to reject the healthcare exchanges or Medicaid expansion called for under Obamacare. The Heritage Foundation also is fighting the law, arguing that it will force small businesses to cut their staffs in order to lower employee healthcare costs.