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Medicare at 45

By Joseph Picard

"Write those letters now; call your friends and tell them to write them. If you don't, this program I promise you, will pass just as surely as the sun will come up tomorrow, and behind it will come other federal programs that will invade every area of freedom as we have known it in this country until, one day, we will awake to find that we have socialism."

Those words were not uttered recently at a Tea Party rally opposing the Affordable Care Act. Rather, those words were said 48 years ago by Ronald Reagan, before he was governor of California, before he was President of the United States, in a promotional piece for the American Medical Association in opposition to Medicare.

Last Friday, Medicare turned 45 years old. The U.S. is still a capitalist country and the governmental system for providing medical assistance to the nation's senior citizens and disabled is generally well accepted.

"It helped to make us a stronger and more prosperous country by freeing older Americans from the fear that sickness or injury would cost them their lifetime savings and security," said Kathleen Sibellius, Secretary of Health and Human Services.

Currently, 47 million people are enrolled in Medicare, with nearly 40 million of them 65 and older.

As Sibellius pointed out, when Medicare was first enacted, it did not cover much more than basic hospital care for patients 65 and older. It did not cover physical therapy, hospice care, services in rural clinics, drug prescriptions and other benefits.

In 1972, Medicare eligibility was extended to people with long-term disabilities. In 1985, emergency rooms at hospitals participating in Medicare were required to treat anyone with an emergency condition, regardless of his or her ability to pay. In the 1990's, there were expansions in preventative benefits. In 2003, Congress established Medicare Part D, a prescription-drug benefit to help millions of seniors with the cost of medications.

Sibellius and President Obama have used the program's anniversary to remind Americans that the administration-backed Affordable Care Act is again expanding and improving health care coverage for seniors and the disabled.

"My Administration is taking steps to extend the life of the Medicare trust fund and to slow the growth of Medicare costs," Obama said, in a proclamation celebrating Medicare's 45th.

The Affordable Care Act helps accomplish these goals, Obama said, by addressing overpayments to insurance companies that operate Medicare Advantage plans; by aggressively fighting waste, fraud, and abuse; and by better coordinating the care of individuals with chronic conditions.

"The ACA also helps seniors and people with disabilities in Medicare who fall in

the Part D coverage gap for prescription drug costs, or the 'donut hole,'" Obama said. "Medicare beneficiaries who reach the donut hole this year are receiving a \$250 rebate."

Obama said that, in addition, beneficiaries will see 50 percent discounts on brand name drugs in the coverage gap starting next year, and an end of the coverage gap altogether by 2020.

Under the new law, "guaranteed Medicare benefits will not change, and participants will see greater savings, improved quality, and increased accountability in their health care coverage," Obama said.

The ACA has, however, numerous critics, including Michael Tanner, a senior fellow at the Cato Institute.

Tanner thinks the new law is a mistake for many reasons: it will force people to buy health insurance, force employees to provide health insurance, force people into the government health plan, force practices on Medicare and Medicaid physicians, laden extra costs on private insurers and give the government control over a vast data base of everyone's medical records, Tanner said.

Tanner also thinks it's a bad idea to expand Medicare services because of the cost to taxpayers and the burden to the budget.

He is not alone. Republican lawmakers say that spending for the ACA will increase the deficit and the debt.

The Congressional Budget Office has also said that the steadily rising costs of Medicare, especially as the baby boomers enter their senior years, may constitute a major drag on the economy.

The administration counters that its enlightened programs, including the ACA and the expansions to Medicare, will eventually rein in and reduce budget deficits.

The American Medical Association, which hired Ronald Reagan nearly a half century ago to slam Medicare as the advent of socialism, has changed its tune.

"There is no question that Medicare is a valuable safety net for a vulnerable population," said AMA President Cecil Wilson. "The AMA wants to keep Medicare strong for America's seniors."

Still, the AMA warns that Medicare is not sufficiently paying its participating doctors.

"On December 1, a 23 percent cut in Medicare physician payment begins, hurting seniors' health care," Wilson said. "Already about one in five physicians say they have been forced to limit the number of Medicare patients in their practice, citing the ongoing threat of future cuts and the fact that Medicare payment rates were already too low."

Wilson reminded Congress that the Medicare program is a promise the government made to senior citizens to provide the health care they need.

"Congress can keep that promise by fixing the Medicare physician payment problem, which will strengthen the security and stability of the program for current and future generations," Wilson said. "In six months, the first wave of baby boomers will begin to reach age 65 and will start using their Medicare cards. It's critical that Congress fix the mess they created before the baby boomers start to swamp the system."