Happy birthday, Medicare

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Say "Happy Birthday" to Medicare, signed into law by President Lyndon Johnson 45 years ago, on July 30, 1965.

This national program provides health insurance coverage for everyone 65 years and older, regardless of income or health status, as well as covering people with disabilities. Our senior citizens love Medicare, which, along with Social Security, has substantially lowered poverty among the elderly, providing a secure safety net for our most vulnerable citizens.

Medicare is an example of a "single payer" health insurance program, in which health care dollars are administered by only one payer, the federal government. Medicare patients love the program for a number of reasons. Their premiums, deductibles and co-payments are reasonably priced. No one 65 and older can be denied coverage due to pre-existing conditions. Patients have their choice of doctors and hospitals, and are able to make decisions with their doctors about the care they need.

This safety net is now being threatened. President Obama has appointed a committee, the "National Commission on Fiscal Responsibility and Reform," to make recommendations to Congress for reducing our federal deficit. Unfortunately, some members of this commission are already considering cuts to Medicare and Social Security benefits. Other solutions for reducing the deficit, like cutting the military budget, taxing the rich, negotiating drug costs, and eliminating the waste of the private health insurance industry by enacting a single-payer health insurance program, are not being considered.
The commission is expected to make its recommendations to the House of Representatives after the fall elections, with a vote anticipated in December during a lame duck period of Congress.

Instead of cutting Medicare benefits, a better solution is to eliminate the failed and very costly for-profit "multiple payer" model, that includes hundreds of private health insurance companies with their high administrative costs and exorbitant CEO salaries, as well as their intrusion into the doctor-patient relationship. A much more cost-effective insurance approach would be to improve and expand Medicare to include everyone. At a time when our nation faces high unemployment, and fiscal crises, an expanded Medicare program would be a boon for individuals, small businesses, towns and states.

How would such a program produce savings and control health care costs? First, with Medicare, administrative costs are much lower than for private insurance companies. Administrative savings would be about $400 billion/year, enough money to provide coverage for everyone. Second, prescription drug prices would be negotiated, and drug costs could be lowered by 40 percent, bringing U.S prices in line with other developed countries. Third, an expanded Medicare system could establish global budgets for health care facilities.

The majority of Americans support Medicare and an expansion of this program to provide single-payer health insurance for everyone. Last week this was demonstrated again when participants in town meetings sponsored by "America Speaks" demanded single-payer as the option to solve the health care crisis, and 71 percent voted to not cut Medicare and Medicaid.

Our public and private dollars are flowing into the coffers of the private health insurance industry. These insurance companies continue to squeeze patients and health care providers financially, while paying their executives enormous salaries and bonuses. In 2009, the United Health Group, one of the biggest health insurance companies, paid CEO Stephen Helmsley a compensation package of over $107. 5 million. A recent conference of health economists in Chicago concluded that increasing consolidation in the health insurance industry has led to higher premiums, fewer jobs for health care workers, and reduced physician earnings.

Obama's commission should not recommend cutting Medicare benefits. Write to your senators and representatives, and let them know how you feel about preserving, and expanding Medicare. Ask them to improve and strengthen Medicare by making it available to everyone, so that in coming
years we will all be able to enjoy and celebrate the birthday of this life-saving health insurance program.

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