

Social Crisis in America: Uniting Occupy and Labor Over Health Care

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Politicians are attacking Medicare and Medicaid on all sides—Democrats and Republicans alike. Obama’s national health care bill will slash hundreds of billions from Medicare over the next decade, an act supported by so-called “progressive” Democrats. Soon after this “victory” Obama created the Super Committee to balance the budget, which included automatic “triggers”— if no decision was reached — that are now slated to cut \$600 billion more from Medicare.

On a state-by-state basis, Medicaid — a program that provides health care to the poor — is being cut in virtually every state, where they are using their manufactured budget crises as an excuse. This under-funding of Medicaid has created a lack of doctors for patients, according to USA today:

“With a shortage of doctors...[Medicaid] patients have little choice but to use hospital emergency rooms for more routine care.” (July 5th, 2011).

But it gets worse. Now, “long term solutions” are being sought. After critically wounding the system with disfiguring cuts, Medicare’s plug is about to be pulled. Different privatization plans have been put forth that would instantly kill Medicare. One such plan was recently announced by Democratic Senator Ron Wyden and Republican Congressman Paul Ryan, which, if enacted, would deliver a deathblow to Medicare as we know it. Some commentators have wrongly dismissed Wyden as a “crackpot” risking political suicide; in fact, Wyden is a cautious, “pragmatic” politician, i.e. he blindly follows party leaders and their corporate bosses.

The Wyden-Ryan plan has deep roots not only amongst Republicans, but also Blue Dog Democrats and the New Democrat Coalition— the powerful congressional caucuses that actually run the Democratic Party. These are the people that create the right-wing economic policies that President Obama has been pursuing since his election victory— thus Obama’s ability to work in a bi-partisan manner with the Republican Party. The Wall Street Journal commented on Obama’s right-wing health care plan:

“To listen to President Obama and his closest Democratic allies, you’d think John McCain had won the election and their bill had been drafted by Paul Ryan, Tom Coburn and the scholars at the American Enterprise Institute [a right wing think tank].” (February 26, 2010).

By attaching his name to Paul Ryan (the anti-Medicare crusader), Wyden is now revealing the ultra-right, pro-corporate trajectory of the Democratic Party leadership. And although the White House has spoken against the bill, Obama’s own health care reform bill created the framework now copied by the Wyden-Paul plan.

Why does the Wyden-Ryan plan amount to privatization? A brief glance at the recent history of Medicare is necessary to explain.

Medicare was once dominated by the federal government, where, as a result, administrative costs were low and quality was high. In the 1990's Medicare patients were given an option to have their Medicare services performed by private providers, who were now able to profit off Medicare by charging extra fees for extra services, which they added to the basic amount of funds received via Medicare.

The reason that people often chose private providers was that Medicare funding was being cut and consequently, less services were being offered under traditional Medicare. For those who could afford it, private providers became preferred, since people could then purchase the services they needed but were not offered under traditional Medicare. This "option" created the beginning of a two-tier system of Medicare, opening the door for the systems fracturing.

The Wyden-Ryan plan would crack the nut wide open. But instead of saying privatization, a dirty word, "premium support" is used instead, a sterile sounding term with nasty consequences. It essentially means that each Medicare patient will receive a set amount of money for their Medicare that they can use to "shop" for their insurance. This would be the first time that Medicare spending would be capped, and the rate of growth of this capped fund would not match the rate of growth of health care prices. Once you've accepted the cap, the cap can be continually lowered by Congress or not raised to keep pace with inflation.

Instead of reducing Medicare costs by going after profit-hungry pharmaceutical corporations, patients will have their services curtailed via the cap.

The "choices" offered under the Wyden-Ryan will fully insert the profit motive into the national health care program: Medicare patients with poor health or chronic conditions would find that most private plans are closed to them, since it's unprofitable to actually offer the necessary, varied treatments for these patients. Thus, Medicare participants in poor health would remain in traditional Medicare, where costs would rise as more chronic patients joined and healthier patients fled to cheaper plans that allowed only healthy people. Richer patients would also flee to private plans for another reason: Medicare payments to doctors and hospitals are being continually lowered, doctors would naturally refuse to take Medicare patients as they now refuse to take Medicaid patients.

The subsequent higher costs of traditional Medicare would then push up premium prices, co-payments, and deductibles, where very soon the "public option" of Medicare would be unrecognizable to its ancestor. The poor and those with chronic conditions would be legally discriminated against, since private companies are allowed to do so; a once proud public program will have been mutilated and rendered unusable, i.e. it will have been privatized.

Medicare was first hijacked by the health care corporations in the 90's with the introduction of Medicare Part C, the original "option" to have privately run Medicare; and because Part C was privately controlled, it received 14 percent more money in inflated payments than did traditional Medicare patients (so that patients would be pushed into the program while corporations could turn a profit).

Later, Medicare Part D was designed and implemented by these same health care

corporations to boost profits (a gift from President Bush Jr.). It thus became common for private companies to have their hand in the Medicare honey jar.

How is profit made in the health care business from Medicare? These companies get a set amount of money from the federal government, and if they provide less health care service than what they are paid, they turn a profit. They also profit by providing additional, unneeded services at inflated costs. The Government Accountability Office reported that in 2006, the private plans earned profits of 6.6 percent while having much higher administrative costs than traditional Medicare.

By 2030 Medicare is expected to enroll 78 million people. Medicaid already provides health care to over 50 million Americans. The number of uninsured Americans stands at 50 million and is rising fast. Tens of millions of more Americans cannot afford the health care plans they are currently in, and millions more would prefer quality health care plans, not the ones they actually have.

Hundreds of millions of Americans thus have a common interest in health care, yet the above attacks on health care continue while costs continue to rise.

It makes sense that Americans should unite in a single health care constituency. Medicare cannot be defended by only current Medicare recipients; nor can Medicaid be saved by current benefactors. In order to unite all working Americans into a powerful coalition, Medicare for All should be demanded, so that all Americans will see their interests reflected in the fight. Few issues so directly affect so many people, but to expand the fight still further, a coalition could be formed that demands jobs, peace, and education, the other "big" issues that- when put together- directly affect nearly every single working person.

The raw material for such a coalition already exists. If the labor and Occupy Movements unite to organize massive, ongoing demonstrations for these basic demands, the potential for a mass movement will have been realized. The majority of Americans would find common cause with such a movement, and after seeing masses of people in the streets, will believe that the fight can be won.

Like Social Security, Medicare is a self-funding program that can be easily preserved by raising taxes on the richest Americans and corporations. Taxing the rich can also help create a national jobs program, save public education and other vital social services, while also helping to galvanize such a movement.

Politicians are using the national and state budget crises to implement drastic austerity measures- destroying public jobs and services from libraries and health care to roads and education. In Europe the fight against austerity has aroused the entire working populations of several countries, including Greece, England, Italy and Spain. The working people of the U.S. are facing the same austerity crisis and need to unite in the European fashion.

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