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Op-Ed Columnist

Republicans and Medicare

By **PAUL KRUGMAN**

“Don’t cut Medicare. The reform bills passed by the House and Senate cut Medicare by approximately \$500 billion. This is wrong.” So declared Newt Gingrich, the former speaker of the House, in a recent op-ed article written with John Goodman, the president of the National Center for Policy Analysis.

And irony died.

Now, Mr. Gingrich was just repeating the current party line. Furious denunciations of any effort to seek cost savings in Medicare — death panels! — have been central to Republican efforts to demonize health reform. What’s amazing, however, is that they’re getting away with it.

Why is this amazing? It’s not just the fact that Republicans are now posing as staunch defenders of a program they have hated ever since the days when Ronald Reagan warned that Medicare would destroy America’s freedom. Nor is it even the fact that, as House speaker, Mr. Gingrich personally tried to ram through deep cuts in Medicare — and, in 1995, went so far as to shut down the federal government in an attempt to bully Bill Clinton into accepting those cuts.

After all, you could explain this about-face by supposing that Republicans have had a change of

heart, that they have finally realized just how much good Medicare does. And if you believe that, I've got some mortgage-backed securities you might want to buy.

No, what's truly mind-boggling is this: Even as Republicans denounce modest proposals to rein in Medicare's rising costs, they are, themselves, seeking to dismantle the whole program. And the process of dismantling would begin with spending cuts of about \$650 billion over the next decade. Math is hard, but I do believe that's more than the roughly \$400 billion (not \$500 billion) in Medicare savings projected for the Democratic health bills.

What I'm talking about here is the "Roadmap for America's Future," the budget plan recently released by Representative Paul Ryan, the ranking Republican member of the House Budget Committee. Other leading Republicans have been bobbing and weaving on the official status of this proposal, but it's pretty clear that Mr. Ryan's vision does, in fact, represent what the G.O.P. would try to do if it returns to power.

The broad picture that emerges from the "roadmap" is of an economic agenda that hasn't changed one iota in response to the economic failures of the Bush years. In particular, Mr. Ryan offers a plan for Social Security privatization that is basically identical to the Bush proposals of five years ago.

But what's really worth noting, given the way the G.O.P. has campaigned against health care reform, is what Mr. Ryan proposes doing with and to Medicare.

In the Ryan proposal, nobody currently under the age of 55 would be covered by Medicare as it now exists. Instead, people would receive vouchers and be told to buy their own insurance. And even this new, privatized version of Medicare would erode over time because the value of these vouchers would almost surely lag ever further behind the actual cost of health insurance. By the

time Americans now in their 20s or 30s reached the age of eligibility, there wouldn't be much of a Medicare program left.

But what about those who already are covered by Medicare, or will enter the program over the next decade? You're safe, says the roadmap; you'll still be eligible for traditional Medicare.

Except, that is, for the fact that the plan "strengthens the current program with changes such as income-relating drug benefit premiums to ensure long-term sustainability."

If this sounds like deliberately confusing gobbledegook, that's because it is. Fortunately, the Congressional Budget Office, which has done an evaluation of the roadmap, offers a translation: "Some higher-income enrollees would pay higher premiums, and some program payments would be reduced." In short, there would be Medicare cuts.

And it's possible to back out the size of those cuts from the budget office analysis, which compares the Ryan proposal with a "baseline" representing current policy. As I've already said, the total over the next decade comes to about \$650 billion — substantially bigger than the Medicare savings in the Democratic bills.

The bottom line, then, is that the crusade against health reform has relied, crucially, on utter hypocrisy: Republicans who hate Medicare, tried to slash Medicare in the past, and still aim to dismantle the program over time, have been scoring political points by denouncing proposals for modest cost savings — savings that are substantially smaller than the spending cuts buried in their own proposals.

And if Democrats don't get their act together and push the almost-completed reform across the goal line, this breathtaking act of staggering hypocrisy will succeed.

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