

# How ObamaCare Guts Medicare

The president's pledge that 'If you like your health plan, you will be able to keep it' clearly does not apply to America's seniors.

By **PETER FERRARA**

AND **LARRY HUNTER**

The Democratic Senatorial Campaign Committee has attacked Senate Republican candidates for wanting "to end Medicare as we know it." And in Nevada's hotly contested Senate race, Majority Leader Harry Reid is attacking Republican Sharron Angle, saying she wants to "gut" Medicare. But Mr. Reid has already gutted it. He and his colleagues did so by passing ObamaCare.

In his analysis accompanying the recently released Annual Report of the Medicare Board of Trustees, **Richard Foster, Medicare's chief actuary, noted that Medicare payment rates for doctors and hospitals serving seniors will be cut by 30% over the next three years.** Under the policies of the Patient Protection and Affordable Care Act, by 2019 Medicare payment rates will be lower than under Medicaid. **Mr. Foster notes that by the end of the 75-year projection period in the Annual Medicare Trustees Report, Medicare payment rates will be one-third of what will be paid by private insurance, and only half of what is paid by Medicaid.** (Seniors will no longer be able to rely on Medicare for their Health Care Coverage. They will be forced to take Medicaid with no choice of Doctor or Hospital, pay out of their own pocket or purchase supplemental insurance to cover the difference.)

Altogether, ObamaCare cuts \$818 billion from Medicare Part A (hospital insurance) from 2014-2023, the first 10 years of its full implementation, and \$3.2 trillion over the first 20 years, 2014-2033. Adding in ObamaCare cuts for Medicare Part B (physicians fees and other services) brings the total cut to \$1.05 trillion over the first 10 years and \$4.95 trillion over the first 20 years.

These draconian cuts in Medicare payments to doctors, hospitals and other health-care providers that serve America's seniors were the basis for the Congressional Budget Office's official "score"—repeatedly cited by the president—that the health-reform legislation would actually reduce the federal deficit. But Mr. Obama never disclosed how that deficit reduction would actually be achieved.

There will be additional cuts under ObamaCare to Medicare Advantage, (\$218 Billion) the private option to Medicare that close to one-fourth of all seniors have chosen for their coverage under the program because it gives them a better deal. Mr. Foster estimates that 50% of all seniors with Medicare Advantage will lose their plan because of these cuts. Mr. Obama's pledge that "If you like your health plan, you will be able to keep it" clearly does not apply to America's seniors.

Moreover, there will be additional cuts to Medicare adopted by bureaucrats at the Medicare Independent Payment Advisory Board. ObamaCare empowers this board to close Medicare financing gaps by adopting further Medicare cuts that would become effective without any

congressional action. Mr. Foster reports that "The Secretary of HHS is required to implement the Board's recommendations unless the statutory process is overridden by new legislation."

The drastic reductions in Medicare reimbursements under ObamaCare will create havoc and chaos in health care for seniors. Many doctors, surgeons and specialists providing critical care to the elderly—such as surgery for hip and knee replacements, sophisticated diagnostics through MRIs and CT scans, and even treatment for cancer and heart disease—will cease serving Medicare patients. If the government is not going to pay, then seniors are not going to get the health services, treatment and care they expect.

Mr. Foster reports that two-thirds of hospitals already lose money on Medicare patients. Under ObamaCare it will get much worse. Hospitals also will shut down or stop serving Medicare patients.

The president's concept of spreading the wealth includes sacking the Medicare system, on which America's seniors have come to rely for medical care, in favor of others the president's progressive vision deems more worthy.

Everyone should know by now that Medicare suffers dramatic long-term deficits and unfunded liabilities, and is in need of fundamental, structural reforms. But effectively refusing to pay the doctors and hospitals that provide the medical care the program promises to seniors is no way to solve that problem.

Mr. Ferrara is director of entitlement and budget policy at the Institute for Policy Innovation and author of "The ObamaCare Disaster," forthcoming from the Heartland Institute. Mr. Hunter is president of the Social Security Institute.