

MEDICARE – WHICH SIDE IS RIGHT?

There has been much discussion about the future of Medicare. What is the truth?

Under the present law, PPACA (often referred to as Obamacare), **Medicare is eventually eliminated.**

This report from CMS (Centers for Medicaid & Medicare Services) **shows this in very clear terms.** See <http://www.lowcostinsur.com/articles/2010TRAlternativeScenario-dissent.pdf>

The PPACA defunds Medicare by \$716 Billion dollars in the first ten years (started Jan 1, 2011) and continues the defunding until there is nothing left for Medicare.

This effectively eliminates Medicare over many years; however, **the impact will be felt much sooner.**

As shown in the graph on page 6 of the report, Medicare will reimburse Doctors and Hospitals at the same rate as Medicaid by 2018 at the earliest, or by 2025 if the 30% part B reduction is permanently eliminated. (see 1st page of report) Every year after, Medicare will reimburse less and less. Eventually, the vast majority of Doctors and Hospitals will refuse to take Medicare. They simply will not be able to accept the lower fees being paid by Medicare which results in a loss of revenue. They would quickly go broke.

This will in effect force all seniors on Medicare into another system which likely will be Medicaid. As everyone knows, when you are on Medicaid the government assigns you a Doctor and Hospital and you have no choice but to accept it. **This is the future of Medicare under the present law.** It is there in black and white.

When the President states, "I have extended Medicare", he is correct. By reducing the fees paid out, it will extend the pot of money for many more years. The problem is, fewer and fewer medical facilities will accept it.

The Republican plan is not a law and only a proposal. The proposal is to keep Medicare as it was in 2009 (prior to the PPACA law being passed) for everyone who is 55 years of age and older.

For those under age 55 they will receive a voucher of specific dollar amounts to purchase like coverage from numerous Insurance carriers.

Low income senior citizens will receive vouchers to cover all of the cost. Middle income seniors will receive somewhat less. High income senior citizens will receive nothing and must pay the full cost of insurance coverage.

When the opponents state, "the proposal will increase the cost of insurance for many seniors", they are correct, because the wealthy will no longer receive the same benefit as the low income seniors. Seniors who are over the age of 55 will have the option of moving to the voucher plan. In many cases it will be to their benefit to do so since their vouchers will cover more of the cost than is presently covered under Medicare.

Regardless of which plan you prefer, if you are a senior **you must understand that Medicare as you know it will no longer be a low cost option in the near future.** Most seniors will find a significant decrease in coverage and at a much higher cost. In addition, the ability to have certain Medical procedures will be based on the panels established to approve the procedures. Decisions will be based entirely on the actuary tables for life span and the cost divided by quality years of life left. A 75 year old who is expected to live only until 81.3 years may be denied a hip replacement. The cost of the operation and recovery will be divided by the number of years left for life expectancy. If the cost exceeds a certain amount per year the operation will be denied. This type of approval can be expected for all medical procedures.

Many individuals who are insured by State and Local governments believe they are safe from this pending destruction of Medicare. They are wrong. All of these government units rely on Medicare to shoulder a significant portion of the cost for retired employees. The reduced benefits and coverage will force the cost onto

