

Big cuts won't buy better care

Slashing Medicare and Medicaid to pay for health-care reform looks like a shell game.

By Stuart H. Shapiro

President Obama has made it clear that he wants to make monumental health-care reform one of the defining achievements of his administration. To this I say, "Bravo." As a former aide to Sen. Edward M. Kennedy, I consider myself one of the many early toilers in this endeavor, and this dream has been shared and chased by many for decades.

Unfortunately, though, some of the mechanisms the president has proposed to "pay for" expanding insurance are likely to tarnish his legacy - and leave millions of older Americans without quality long-term care.

Much of Obama's health reform is to be funded by cutting Medicare and Medicaid, which cover our oldest and poorest citizens, including many of those in nursing homes.

These cuts could not come at a worse time. Residents who are 65 or older currently make up 13 percent of the population. But their number will double to 88.5 million by mid-century. The baby boomers will continue padding the senior population until it accounts for one in five U.S. residents by 2030.

Pennsylvania ranks third nationally in the percentage of the population that's 65 or older, and fourth in residents 85 or older. Two million of our 12 million residents are at least 65. By 2020, that number will increase by 50 percent.

Compounding matters, funds for Social Security could run dry by 2037, and those for Medicare by 2017. Meanwhile, Obama has conceded that the unemployment rate will rise past 10 percent within a year, cutting down on the number of employees contributing to these programs.

One-third of those who enter nursing homes paying for their care eventually "spend down" their resources and qualify for Medicaid. With the stock market collapse eating up nest eggs, people are depending on Medicaid much earlier.

Obama's proposed universal health care has undeniable appeal. He has rightfully earned high marks for fighting to expand health care. But at what cost? And to whom?

If the cost is to Medicaid and Medicare, then taxpayers are in for a rude awakening when millions retire without money to pay for their health care. Ransoming seniors' long-term care for immediate, large-scale health reform benefits political supporters in the short term more than it does the public in the long run.

Even in the short term, one could argue that taxpayers are looking at an old-fashioned shell game. No sooner was the ink dry on the federal stimulus package, which provided millions of dollars for care for the elderly in Pennsylvania, than Congress and the administration began to propose major cuts in Medicare.

Because Medicare payments support quality care in our nation's nursing homes, the proposed cuts - approaching \$50 billion nationally - are guaranteed to undercut the quality gains of the past decade. In Pennsylvania, if the proposals on the table are enacted, these policies would result in an almost 10 percent reduction in cumulative payments over 10 years, or a loss of more than \$2.1 billion.

None of the questions about health care, Social Security, Medicaid, and Medicare is easy to answer. But we do know that our population is growing older, and doing so rapidly. Cutting money from the programs that finance care for seniors is a seriously flawed strategy.

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