



Office Visit: Ending Medicare can reduce rationing, costs

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“The decision is not whether or not we will ration care – the decision is whether we will ration with our eyes open.”

These are the words of Donald Berwick, President Barack Obama’s nominee to head the Centers for Medicare and Medicaid Services. It appears to me Berwick has had his eyes closed for quite some time. In February, I wrote about the need for Medicare reform and how Congress must do something about the upcoming 21-percent cut in Medicare reimbursements.

Fast-forward four months. On Friday, Congress again agreed to delay the same 21-percent cut, creating an apparent short-term solution to a long-term problem. But the real problem is a program on the verge of bankruptcy that continues to price medical providers out of treating Medicare recipients. The result is rationing of care, which has already begun. Some of our country’s most prestigious medical centers are already changing their policy on Medicare patients.

The Mayo Clinic, one of the most recognizable names in medicine, has chosen to be nonparticipating in the Medicare program. They still see patients with Medicare, but they don’t accept Medicare as payment in full. Instead, the Mayo Clinic requires patients to cover the additional costs that Medicare doesn’t cover. In addition, their primary-care clinic in Arizona has quit accepting Medicare altogether. Why? Because they, like most U.S. hospitals and physicians, lose money on Medicare. Not making less money, not breaking even – but losing money.

To cover losses due to Medicare, the cost is passed on to non-Medicare consumers, driving up the cost of health insurance premiums and treatment. The result is a short-circuited system that makes quality medical treatment too costly for many.

According to the 2009 Social Security and Medicare Trustees Reports, the two programs have a combined unfunded liability of more than \$107 trillion, seven times the size of the U.S. economy and 10 times the size of the outstanding national debt. The unfunded liability is the difference between the benefits that have been promised to current and future retirees and what will be collected in dedicated taxes and Medicare premiums. This funding gap can only be closed by substantial tax increases, large benefit cuts or both.

The most realistic and logical answer – cutting Medicare altogether – is not a popular one. But it makes the most sense. Every American becomes eligible for Medicare at the age of 65, whether they need the program or not. In 10 years, Bill Gates will be Medicare-eligible. Warren Buffett’s been eligible for 15 years. It isn’t known if they have or will receive Medicare benefits, but the reality is those who don’t need Medicare still receive benefits. For those Medicare-eligible individuals who can afford health insurance, it’s time to say “Thank you for your patriotism, but Medicare is now closed.”

Berwick’s already stated there will be some sort of health care rationing. By creating a needs-based program that citizens must qualify for instead of a program like Medicare, we can limit rationing and allow providers to avoid the bureaucracy and focus on treating patients.

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