

EIR National

'Bunch of fascists' forbids debate on looting of Medicare

by Linda Everett

As the Newt Gingrich-Phil Gramm crowd in Congress was bragging about their own courage in reaching out and grabbing the "third rail" of politics ("touch it and you die!")—namely, Medicare—the first year of the Contract with America ended with such seditious members of Congress being branded by their peers as "a bunch of fascists."

Back in January, House Budget Chairman John Kasich (R-Ohio) privately told House Speaker Newt Gingrich (R-Ga.) that he couldn't deliver the Contract's promised tax cut and balance the budget in seven years—unless he could get massive savings out of Medicare. But senior citizens were already opposing cuts in Medicare to balance the budget, or to pay for what Rep. Sam Gibbons (D-Fla.) calls "an obscene tax cut" of \$245 billion for wealthier Americans. The Conservative Revolution pollsters came up with a marketing sales pitch to brainwash older Americans into accepting the largest Medicare cut ever in history, namely: The Contract with America would "save Medicare," give seniors real health care choices, and wipe out fraud.

When chinks in their public relations armor left them exposed, GOP "enforcers" went into high gear, jamming proposals through committees, without debate or hearings, doing whatever it took to avert attention from their looting of billions of Medicare and Medicaid dollars; their plan to let private corporations raid \$40 billion in pension funds from 11 million U.S. workers; their Senate Finance Committee plan to wipe out the Earned Income Tax Credit for 17 million low-income, working families (4 million of whom make between \$350 and \$750 a month); and to tax Social Security benefits received by 1 million widowed, retired, and disabled taxpayers, whose average gross income is \$9,580, and who care for 2 million of their own children or grandchildren.

As a result of this mobilization by the Gingrich crowd,

there is now such a confusing abundance of proposals and schemes circulating in congressional committees, that even those who are following the situation very closely are at a loss to say exactly what the status is of any given proposal. Congressmen are being asked to sign on to sweeping "reforms" without even seeing a written draft.

The jackboots are out

The jackboot method became public on Sept. 20, when Rep. Sam Gibbons joined a closed-door session of the House Ways and Means Committee, where Republican members rammed through a procedure that let them hold only *one* day of hearings on their massive overhaul of Medicare. Gibbons, a 30-year member of the committee, had a prepared amendment asking for more hearings, but no discussion was allowed. Gibbons pleaded with Chairman Bill Archer (R-Tex.) "to please let me at least enter into the conversation with them about what we ought to do." Archer refused, and the GOP motion was read and passed.

Gibbons flung his proposal on the table, saying: "This is a pure railroad! Nobody can talk. Nobody can make any motions. You veto discussions. You're a bunch of dictators, that's all you are." Gibbons, a World War II veteran, charged: "I fought guys like you 50 years ago. You're all a bunch of dictators, a bunch of fascists!"

A day later, the GOP unveiled its Medicare plan, still without any details or legislation to study. They convened their single day of hearings on the plan—the very next day! House Minority Leader Richard Gephardt (D-Mo.) vowed to hold hearings on the Capitol steps, if necessary. "We will not let them rush it through in the waning moments of a single day of debate. We will stop any midnight massacre of Medicare."

The House hearings had few critics among the representa-

tives of insurance companies, managed care firms, health maintenance organizations (HMOs), the American Hospital Association, and American Medical Association who testified. Newt had already neutralized them. The American Association of Retired Persons could have shut this farce down in a blink, but the AARP has responded to the GOP's "Pearl Harbor" attack on Medicare, as though it had retired. Perhaps Newt threatened to eliminate their nonprofit status. Or the AARP, which draws mega-profits from its health insurance business for seniors, may simply think, as does Bill Gradison of Health Insurance Association of America, that the GOP Medicare plan "creates a business opportunity for private health insurers, especially for managed care entities."

One key GOP witness was Rolland E. "Guy" King, consulting actuary, Ernst and Young, former chief actuary with the Health Care Financing Administration, the federal agency that administers Medicare and Medicaid. He assured Archer that the GOP plan to save the Medicare Trust Fund with \$270 billion in cuts met the "criteria for soundness." Then King, who spoke at the May conference of the Council for Affordable Health Insurance, a free-market health insurance reform group that is tied to Gingrich and his ideas man, Grover Norquist, of the radical anti-government Americans for Tax Reform, admitted to Rep. Charles Rangel (D-N.Y.) that he had based his testimony on what he read in a newspaper, since there was no written bill!

Save Medicare by destroying it?

The GOP says that \$270 billion in Medicare cuts will save the Trust Fund. They are cutting Medicare Part A, which is funded by the Trust Fund, by \$160 billion in payments to hospitals, nursing homes and home care, and all kidney failure programs in the nation. What they don't say, is that the \$140 billion they will cut from Medicare Part B, has nothing to do with the Trust Fund. Their cuts will destroy the future viability of the program.

Every working American pays directly into the Medicare Trust Fund (Part A), and into the general revenues that fund Medicare Part B. Sixty percent of all Medicare Part A is spent on hospitals and hospital services; the rest funds training of new doctors, research, capital costs, and hospital treatment of indigent and homeless patients. Everything is to be cut, with hospitals losing about \$75 billion in seven years, and another automatic \$8 billion in cuts to providers will be triggered, via the GOP look-back provision that goes into effect whenever spending exceeds the limit on fee-for-service expenditures. Medicare and Medicaid provide more than half of all U.S. hospital revenues, and Medicaid provides half of all nursing home revenues.

Besides a public health threat, hospital, clinic and lab closings will cause a string of massive lay-offs in the skilled health care workforce, a collapse in wages, and the loss in Medicare taxes, as well as other federal, state, and county tax revenues—which will then precipitate more cuts and fur-

ther loss of vital health care infrastructure.

Premiums for Medicare Part B, which covers doctor bills and laboratory tests, are based on a percentage of the overall costs of the program. The GOP plans will cut \$140 billion in Part B by cutting doctor payments, increasing out-of-pocket co-payments, and doubling deductibles and/or premiums. Medicare patients, 35% of whom have an annual income under \$10,000, and 70% having incomes under \$24,000, now spend 21% of their income on out-of-pocket health-care costs. Because Part B premiums are extracted directly out of Social Security checks, those living on Social Security will have to choose: food or health care.

The state Medicaid programs pay Medicare Part B premiums, all Medicare co-payments, and deductibles for tests, hospital and nursing home care, for impoverished elderly and disabled residents. Sen. Bob Graham (D-Fla.) told the Senate Finance Committee that Florida pays all Part B costs for 306,000 people, and nursing home/hospital costs for 52,000 elderly indigent and disabled people. Each Medicare cost increase is transferred directly to the state. If the older population increases, states may seek to eliminate Medicaid altogether, which House Commerce Committee Republicans voted to do on Sept. 22.

The states' 'new flexibility'

Medicaid is the federal-state funded program that provides medical treatment, long-term care, shelter, medicine, and daily assistance to 32 million poor children, elderly, blind and disabled Americans. Sixty-seven percent of Medicaid funds go to the disabled and frail elderly; 39% funds acute care and long-term needs of 5 million blind and disabled beneficiaries, including 90% of children with AIDS. The GOP plan, passed with *no* public hearings, abdicates all federal responsibility to the states by sending Medicaid funds to the states in a block grant, thereby abolishing any individual's legal right to assistance based on income or disability. In motion after motion, the GOP ruthlessly abolished the 1987 federal nursing home standards that prohibit the restraining, drugging, or abusing of elderly nursing home residents, and abolished the spousal impoverishment law. Now, a person must sell their home, car, or farm to pay for a spouse's nursing home care provided by the state. Also abolished is a federal law assuring basic and preventive health care to children of families under the official poverty level; and a motion was denied to continue benefits for individuals who suffer from Alzheimer's disease and are eligible for state medical assistance.

Who supports such policies? Public relations for the Contract with America's rape of Medicare/Medicaid is run by the Coalition to Save Medicare, a group consisting of the health insurance, managed care and pharmaceutical industries, and business groups, which will win immense benefits. The group's key operators are its chair, the Seniors Coalition; Citizens for a Sound Economy; the Council For Affordable Health Insurance; and the National Taxpayers Union, whose

founder, James Dale Davidson, shares, with his business partner Lord William Rees-Mogg, a hatred for "wasting" government funds on high-tech infrastructure.

More choice — for the insurers

The GOP plan promises you more choices with HMOs, managed care plans and Medical Savings Accounts (MSAs) — all scams in which the government hands over billions of Medicare dollars to private insurers who structure their cherry-picking plan for the healthiest beneficiaries who cost them the least in care. Such insurers usually refuse to insure mentally or chronically ill elderly or disabled people (which is why the nation began Medicare), so these patients will likely use Medicare's traditional plan. But remember, the GOP capped these fee-for-service plans: The more the government spends, the sooner the GOP's automatic \$8 billion in new cuts is triggered!

Gingrich babbles about saving \$70 billion over seven years by getting millions of seniors enrolled in HMOs. But, just last year, his mob opposed managed care in health care reform; their front groups sued the Clinton Health Care Taskforce, in an effort to destroy the Presidency. HMOs have been available to Medicare beneficiaries since 1982, but only 10% of seniors use them. The Medicare Beneficiaries Defense Fund hears thousands of complaints every year from Medicare patients about HMOs that deny or delay hospital care, which sometimes kills patients. The Consortium of Citizens with Disabilities also receives thousands of complaints on how managed care firms are harming the disabled. Yet, the GOP wants malpractice reforms that severely weaken a patient's ability to attain coverage for HMO injuries. While the GOP gave hospitals and doctors the broad right to establish arrangements to compete with HMOs, their plan also created dozens of exceptions to laws that prohibit HMO-kickback schemes. Yet, Medicare HMOs are well known for a decade of illegal activities!

Despite Blue Cross, Blue Shield's specious study which alleges that people with serious medical conditions prefer HMOs over fee-for-service plans, two national studies found that even non-elderly individuals with a chronic illness or disability, who are enrolled in HMO plans, have more problems with getting health care services and access to specialist care or diagnostic tests that their doctors think is necessary. Another study found that patients rated managed care twice as bad as fee-for-service plans on many of the same criteria.

Another GOP plan will dismantle a children's disability program funded by Supplemental Security Income (SSI). The plan cuts payments to 225,000 of the program's 900,000 children who have significant cognitive, emotional, or physical disabilities. It has eliminated specific medical criteria, set by the U.S. Supreme Court in 1990 in *Zelby v. Sullivan*, to be used with children to determine their impairments. Hundreds of thousands of children will be removed from the program, and thousands more will no longer qualify for help.

LaRouche Presidential effort in new phase

by Mel Klenetsky

The 1996 Presidential campaign effort of Lyndon H. LaRouche has entered a new phase. First, the Federal Election Commission (FEC) is reviewing his application for matching funds, filed on Sept. 15, and second, the CityVote forums begin in Moscow, Idaho at the end of September and continue up to the 18-city straw poll scheduled for Nov. 7 — exactly one year before the next election for the four-year term of President of the United States.

LaRouche compares the Gingrich-led federal budget fight and the threats by Conservative Revolution stormtroopers as a comic-tragic re-enactment of the Babylonian king Belshazzar's feast. House Speaker Newt Gingrich (R-Ga.) would drink to the free market gods of gold and silver, while slashing the living standards of the elderly, the poor, and the average working man and woman to ribbons.

In describing his own candidacy, Lyndon LaRouche does not see any rival candidate who addresses the reality that the whole financial system is about to come tumbling down. "As I've said, this is Belshazzar's Feast re-enacted, but I think this time the script is being produced by the writers for 'Saturday Night Live.' It's a farce. Because these guys aren't paying any attention to reality," LaRouche quipped. "When they haul the drunks out in the morning, what they will see is the whole system is coming down, and I am the only one who understands what the new rules have to be after the crash. The party is over. People better start realizing that the Persians are coming."

The two major parties remain in full battle regalia, fighting out the budget issue. As Oct. 1 neared, the Gingrich Republicans were maintaining their blackmail threat to bankrupt the federal government by not raising the debt ceiling level if President Clinton does not give serious indications that he will vote for measures that will balance the budget by the year 2002. Florida Democrat Sam Gibbons, a World War II veteran, stormed out of the congressional Medicare debates saying, "I fought guys like you 50 years ago. . . . You're all a bunch of dictators, a bunch of fascists!"

While LaRouche sees Gibbons's outburst as a useful warming of the debate for the election campaign, he is critical of the lack of policy discussion. On his hour-long "EIR Talks" radio interview show Sept. 27, he defined his role in