

---

State Rep. Harold James

---

## Expand Health Care; No Cuts in Medicaid

*The following statement, entitled “No to Any Cuts in Medicaid, Vets Care, or Other Medical Services: Expand Health Care Infrastructure,” was released by the office of Pennsylvania State Rep. Harold James (D-Philadelphia) on June 27.*

The attempt to “adjust” to the Medicaid funding crisis by agonizing over how to limit and cut medical care for our poor and disabled—now taking place frantically in Harrisburg and dozens of other state capitals—is wrong and foredoomed: We should declare a national time-out against any cuts; act together to force Federal intervention to rescue our collapsing economy; and expand, not contract, our vital physical infrastructure in health care—hospitals, clinics, public health staff, nursing homes, etc.

This goes hand in hand with the economic emergency measures needed overall for infrastructure-building for Amtrak, locks and dams, repairing our sewers and water supply, and many other basics. This, in turn, will set up the demand for skilled jobs, steel, machining, and inputs of all kinds, which built up Pennsylvania as an industrial state in the first place.

Instead, our Commonwealth—along with the former Midwest industrial belt, is suffering the results of years of shrinking of our productive economy under out-sourcing and globalization. We’ve reached the point where, over just the last four years, 28 counties out of our total of 67, lost population! This includes Philadelphia, Allegheny, and the whole northern tier rural counties! Overall, Pennsylvania’s population is barely static.

During this drastic contraction, thousands of our citizens have been made poorer, and come to be dependent on Medicaid, or have no health insurance at all. In Pennsylvania, we went from 1.422 million on Medicaid in December 2000, up to 1.8 million today. At this rate, we expect at least another 100,000 Medicaid enrollees in the next 12 months. Nationally, Medicaid enrollment soared from 33.4 million in December 2000, up to over 53 million today.

Accordingly, our rural and inner-city hospitals have a high dependence on Medicaid and Medicare payments. Therefore, for our legislature, or the Federal government, to mandate cuts in Medicaid now, out of a non-thinking “we have no money” mentality, will hurt the sickest and the poorest, and eventually may kill people, and bankrupt our medical facilities at the same time. There’s no excuse for resorting to the lie that, “there’s no money.” For example, we can find



EIRNS/Stuart Lewis

*Pennsylvania State Rep. Harold James (D-Philadelphia), shown here when he announced his endorsement of Lyndon LaRouche for President on April 12, 2004, now calls for a Federal intervention to rescue our collapsing economy.*

money within the state by taxing tobacco and beer. The truth is, we must face the crisis of the economic collapse, and intervene.

Politically, we can force the issue. In Washington, both the Senate and House are on record opposing cuts in Medicaid for FY 2006. Ignoring this, the Bush/Cheney Administration is attempting to bull through \$10 billion in Federal Medicaid cuts over the next five years. This must be blocked. Economist Lyndon LaRouche has a “Recreate Our Economy” program, with the how-to’s that can be initiated by the U.S. Senate. Resolutions based on this program have already been passed in the City Councils of five Midwest cities, and have been introduced in the legislatures of four states so far.

In the immediate term, we need a moratorium on any and all proposed cuts in existing facilities, services, and programs, across the whole combined system of health-care delivery in Pennsylvania and the nation. The laws and premises behind the past 35 years of the HMO-era of so-called market-based health care, must be set aside, and the nation returned to the “Hill Burton” principles which built up the health care system in the first place. This refers to the 1946 Hospital Survey and Construction Act, mandating levels of community-hospital-

based medical infrastructure to be present in all counties of the nation.

### **Preserve and Expand Medical Infrastructure**

With this in mind, look at the parameters of Pennsylvania.

- **Medicaid:** Nearly 250 facilities across the state—acute and specialty care, primary care, long-term care, home health, etc.—provide the services covering Medicaid and other patients. Medicaid finances care for 65% of all people in nursing homes, for example. It is estimated that for any \$1 cut in Medicaid payments, there will be a loss of \$5.10 to the community. Thus, if the Washington/Harrisburg-proposed Medicaid budget cuts of \$316 million are made in Pennsylvania (\$149 million state, and \$169 million Federal), this will add up to an impact of \$757 million lost to the community, and harm and death will be the toll on the patients not treated. Don't do it.

- **Nursing-homes:** Pennsylvania has 732 long-term care facilities, which employ overall some 200,406 in health-care and other industries in the state. If the proposed Medicaid cuts, and Medicare scale-backs are implemented, this will both toss out patients, as well as undercut the medical-care infrastructure and job base in the area. For example, the Philadelphia Metro area has 141 nursing homes, supporting a total of 55,100 jobs statewide (in vendors and related employment). The Pittsburgh Metro area has 128 nursing homes supporting some 31,000 jobs statewide. (Statistics from the March 31, 2005 report by the Pennsylvania Health Care Association).

- **Veterans Affairs:** Pennsylvania is home to 9 of the 168 nationwide VA Medical Centers, which the VA is now committed to scale down. One of two in Pittsburgh is being phased out. Others threatened with shutdown include Altoona and Erie.

There are additionally eight VA-run nursing homes for Veterans, which the VA system intends to scale-down: Altoona (40 beds), Coatesville (281), Erie (52), Lebanon (136), Philadelphia (240), Pittsburgh-Aspinwall (336), Wilkes Barre (106), and Butler (97).

The Commonwealth itself operates five facilities for Veterans: Erie (175 beds), Hollidaysburg (515), Pittsburgh (236), Scranton (200), Spring City (342), and Delaware Valley (171). Nationally, there are some 117 similar facilities across all states, providing 20,100 beds for long-term care for Veterans.

Bush and Cheney got us into this war in Iraq, and it's a shame they now want to cut back VA benefits and services. All these Veterans' care facilities must be expanded, and the intended Bush/Cheney FY 2006 cuts in the VA program (per diem payments, etc.) be defeated.

In reality, we need to double and triple in size the various components of the health-care infrastructure of Pennsylvania and the nation, to end the disparities of diseases and mortality among our people, and build our economy in the course of it.

## **Will Privatization Derail Pension Crisis Action?**

by Paul Gallagher

A June 24 vote by the U.S. House of Representatives surprised the GOP leadership, and showed that the bipartisan membership of the Congress is becoming serious about tackling the worsening collapse of pensions and retiree health insurance, which is hitting millions of older and retired workers. Thirty-one Republicans joined primarily Democratic sponsors in the House, to pass, 219-185, a measure to roll back the bankrupt United Airlines' default on its pension plans. The amendment, which has sponsors and prospects of passage in the Senate as well, would block, for six months, the dumping of any large pension plans onto the troubled Federal Pension Benefit Guaranty Corporation (PBGC). But it is the United Airlines case which shocked Congress into action, through strong efforts by Rep. George Miller (D-Calif.), the ranking Democrat of the House Education and Workforce Committee. United, on May 11, had moved to dump pension plans which had operated successfully for more than 60 years; and its default immediately raised the specter of more airline—and then, much larger, auto—pension defaults coming. Miller sounded that warning, and in early June held an “electronic hearing” on United Airlines, because the House Committee chairman, Rep. John Boehner (R-Ohio), refused to hold one in House chambers.

Congress now recognizes the urgency of action to stop the collapse of pensions. But the chance of constructive intervention will be ruined, if the GOP leadership continues to play with the idea of linking such action to President Bush's notorious schemes to privatize and loot Social Security. That will make any pension protection legislation instantly unworkable. This warning was raised at Ways and Means subcommittee hearings on June 28 by Rep. Lloyd Doggett (D-Tex.).

That the U.S. pensions crisis can potentially devastate the retirement of millions of veteran skilled workers, was graphically shown by the testimony on the United case to Miller's “e-hearing.” That the crisis is rapidly worsening, requiring urgent and unpostponeable action by Congress, was shown by a new report released on June 23, the day before the surprising House vote. A study by Watson Wyatt Worldwide consultants showed that the abandonment of pension plans by the largest companies in the United States, is accelerating.

Of America's 1,000 largest companies, about 700 maintained defined-benefit pension plans going into 2003. These large firms' plans included the majority of the 43 mil-