

lion annually, just to cut U.S. overhead costs to the level of Canada. That figure is about \$400 billion today, according to testimony by Harvard's Dr. David Himmelstein, to a House subcommittee on April 23, 2009. Himmelstein argued that only a publicly financed, single-payer system can rein in costs while guaranteeing universal, comprehensive coverage. The savings could also eliminate co-payments and deductibles for all Americans.

Himmelstein attacked the half-measures being proposed by some Democrats, including that of a "public plan option," and showed that costs have skyrocketed under the "Massachusetts plan," which has a public plan co-existing with private insurance.

### Congress Raised Medicare Costs

Even Medicare's costs have risen significantly under the HMO system which Congress grafted onto Medicare in 2003, at the behest of the insurance companies. The Medicare Modernization Act in 2003 allowed private insurance plans to participate in the Medicare pro-

gram, in what is called "Medicare Advantage." Although billed as a cost-saving measure, the private fee-for-service components of Medicare are costing the government from 13% to 19% more than the traditional Medicare program—without any evidence of better performance or outcomes.

Rep. John Dingell (D-Mich.), the head of the House Energy and Commerce Committee until he was deposed by Speaker Nancy Pelosi earlier this year, said in February that "the real beneficiaries of Medicare Advantage are the insurance companies, which have profited handsomely."

What is needed is, first, to expand the existing Medicare plan, as suggested by economist James Galbraith, who proposed to increase Social Security and Medicare payments, and to lower the age for Medicare eligibility from the current 65 years to 55. Second, the 1973 "Health Maintenance Organization and Resources Development Act," which allowed the creation of the HMOs, must be repealed, before its murderous effects extend any further.

## 'Act Now!': Measures To Solve the Crisis

Everyone knows that the U.S. health-care system is in urgent need of reform. The fight is over whether the crisis should be "solved" to the benefit of Wall Street and the HMOs, or for the general welfare. And if the latter option is to be achieved, more is needed than tinkering with the health-care sector itself; it requires a global financial reorganization, a transformation of the way we think about our economy and ourselves. Here is a summary of the LaRouche Political Action Committee's proposed measures.

1. **U.S. financial reorganization.** Congress must pass LaRouche's Homeowners and Bank Protection Act of 2007 (see [www.larouchepac.com](http://www.larouchepac.com)). This would place Federal and state chartered banks under bankruptcy protection, and freeze existing home mortgages until they can

be adjusted to fair prices. All speculative debt obligations, such as derivatives and mortgage-backed securities, will be written off.

2. **Global financial reorganization.** The world's four principal powers, the United States, Russia, China, and India, must meet to map out a New Bretton Woods system. This will be a *credit* system, as understood by the first U.S. Treasury Secretary, Alexander Hamilton—not a *monetary* system. Other nations that wish to join will be welcome in the next phase.
3. **Reconstruction of the physical economy.** Repeal the U.S. 1973 law that allowed the creation of the HMOs, and return to the Hill-Burton Act's mandated standards for per-capita medical facilities. Retool the bankrupt auto industry, especially its machine-tool core, for production of vital infrastructure such as high-speed rail (maglev), water management, and power. Nuclear power is indispensable, including to solve the problem of water scarcity in many parts of the world, by means of nuclear desalination.