

## Two Versions of the Same Thing: “Obamneycare” Converts Health Care Into Profits

By [Dr. Paul Craig Roberts](#)

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In the guest section there is a new contribution by Dr. Robert S. Dotson. He points out that “Obamneycare” is two versions of the same thing. A person has to be gullible and uninformed to believe the claims of Obama and Romney that their replacements for Medicare will save money and improve care. What the schemes do is convert public monies into private profits.

The exploding costs described by Dr. Dotson and the rising profits for private corporations are paid for by reducing health care. For example, Betsy McCaughey, former lieutenant governor of New York, writing in *Investors Business Daily* (<http://news.investors.com/ibd-editorials-perspective/101212-629190-obamacare-medicare-cuts-danger-to-senior-citizens.htm?p=full>) reports that “On Oct. 1, the Obama administration started awarding bonus points to hospitals that spend the least on elderly patients.” The result will be fewer knee and hip replacements, angioplasty, bypass surgery, and cataract operations. These procedures transformed aging by allowing the elderly, who formerly languished in wheelchairs and nursing homes, to lead active lives.

Obamacare rolls back the clock. “By cutting \$716 billion from future Medicare funding over the next decade and rewarding the hospitals that spend the least on seniors, the Obama health law will make these procedures hard to get and less safe.”

Doctors will be paid less to treat a senior on Medicare than to treat someone on Medicaid, a poverty program that is not financed by the payroll tax. McCaughey reports that doctors will be paid only one-third as much for treating Medicare patients as for treating a patient with subsidized private insurance and that Obamacare means that hospitals will have \$247 billion less over the next decade to care for the same number of seniors.

According to McCaughey, prior to Obama raiding Medicare in order to subsidize the price of health policies sold by private insurance companies, Medicare was already paying hospitals only 91 cents for every dollar of care provided. The way Obamacare saves money is by cutting back care for the elderly and shortening their lives.

As I pointed out in my last article, Obamacare is a death panel.

This doesn’t mean that Romneycare is any better. Conservatives like to pretend that the private sector is always more efficient and less corrupt than the public sector, and that replacing Medicare with vouchers toward the purchase price of a private insurance company will lower costs and improve care.

As Romney’s scheme has not appeared in federal legislation, we don’t know all the ways the

interest groups would game the voucher system. However, the voucher system would add to costs by adding another level of profits. Unless the private insurance companies are to become administrators for the government and be protected from Wall Street organized takeovers for not earning high enough profits, the policies sold by the insurance companies will have profit in them.

Also, conservatives make a great deal to do about Medicare being unfunded, but what is there to fund Obamneycare except the payroll tax that funds Medicare? Obamneycare depends on the government handing out subsidies or vouchers for the purchase of private insurance policies. Neither scheme is any more funded than Medicare.

Some conservatives seem to think that because private policies are involved that health care becomes funded. What Obamneycare does is to steal from Medicare in order to finance Medicaid and private insurance policies. Both plans raise costs, reduce care for the elderly, and divert tax dollars away from health care to private profits.

Let's examine the erroneous conservative belief that if health care is provided privately, without any government subsidies, it is funded, whereas Medicare is not funded. To pay the premium on a private policy, a person has to have an income. The premiums are thus funded by the earned income stream. If the person loses his or her job, or becomes incapacitated and cannot work, the person cannot pay the premium and the policy can no longer be funded. If the person is elderly and lacks sufficient retirement income to pay the high cost of private health insurance for the elderly, the person's health care is no longer funded.

Medicare is funded by the same earned income stream that funds private insurance policies. Instead of paying a premium to a private company, the worker pays a payroll tax that funds his health care regardless of his employment or level of retirement income.

Conservatives claim that under Medicare, the young have to pay for the elderly. However, the young become old in turn, so the intergenerational aspect is simply a part of the human life cycle. It is the same with private medical coverage. The healthy (usually the young) pay for the sick (usually the elderly). Private insurance has an actuarial basis. Actuaries calculate premiums and risk so that the total premiums can accommodate the claims of the percentage of policyholders who become ill. The notion is false that a person with a private policy is paying for his own health care unlike a person on Medicare.

A favorite "cost-saving" scheme is to raise the retirement age for Medicare. As Dave Lindorff points out in *CounterPunch* (printed edition, Oct. 1-15, 2012), 90% of the cost of the Medicare program each year goes to pay for the care of the oldest 10 percent of Medicare patients. Those aged 65-70 are the most fit and cost the least. Moving the retirement age up doesn't save any real money. It just violates the contract and takes away the coverage for which people paid during their working life.

Obamneycare takes decisions out of the hands of patients and health care providers. It reduces care for the elderly. It imposes intrusive controls and data collecting and reporting. As care providers witness care withheld and the elderly confined to wheelchairs and nursing homes and early graves, health care providers will have to become as hardened as workers in slaughter houses, or the system will implode. Already 59% of US doctors say that they prefer a single-payer national health care system to the corporate form of medicine that has turned them into wage slaves who have to ration the time they spend with patients and the

amount of care that they prescribe.

If Obama's subsidies and Romney's vouchers are not indexed to medical inflation, Obamneycare will provide diminishing care as the years go by. As jobs offshoring has stripped the country of middle class job growth, the incomes earned by waitresses, bartenders, hospital orderlies, and Walmart's part-time workers will not cover shelter, food, transportation, and health care.

When Obama sold out his supporters to the insurance companies, Obama supporters lined up with the pretense that diverting Medicare money to private profits was an improvement over the current system. Obama supporters have now invested so much emotional capital in Obama's assault on Medicare that they pretend there is some meaningful difference between Obamacare's government subsidized private insurance policies and Romneycare's government subsidized private medical insurance vouchers.

While the two sides yell and scream at one another, the concrete hardens around the new common policy of shorter lives for the elderly and more profits for private corporations.

Although no one in either party can define the US mission in the seven countries in which the US is conducting military aggression, wars of choice that according to Joseph Stiglitz and Linda Bilmes have already cost US taxpayers \$6 trillion in out of pocket and already incurred future costs, there is no discussion of halting the wars and diverting armaments industry profits to the health care of the US population.

Thus, we are left with Dr. Dotson's conclusion that Americans are governed for the benefit of corporate profits. Americans' lives, health, incomes, careers, prospects, none of this matters. Only corporate profits.

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