from Phyllis Schlafly

December 17, 1992

The Medicare Mess

Now that I am a Medicare patient, I am learning all about what it means to have my health care provided for me by the Federal Government. I knew that, when I turned 65, I would be eligible for Medicare; what I have just discovered is that I have had to give up some of the choices I previously took for granted, such as choosing the doctor I want.

Medicare began in 1965 under President Lyndon Johnson. It promised universal health care for the elderly at a reasonable cost without intrusion of the government into the practice of medicine. Today, Medicare costs have zoomed out of sight and the government now dictates treatment and fees for Medicare patients and their doctors.

The annual Medicare budget now runs well over $100 billion compared to less than $5 billion in the early years of the Program. Yet the proportion of income spent by the elderly on medical care is as high now as it was before Medicare started, and covert rationing is occurring.

All doctors, charges for Medicare patients are now fixed in Washington, D.C. Effective in 1992, the Department of Health and Human Services (HHS) calculates the allowed, fees according to the following formula: Payment = [(RVUw/s x GPCIw/a) + (RVUpe/s x GPCIpe/a) + (RVUm/s x GPCIm/a)l x CF.

Confused? So is your doctor. He didn't learn that equation in medical school. That's why he now must spend time and money on seminars and consultants to advise him how to make out his bill.

This magic formula was discovered by a Harvard University academician named William Hsiao, who told HHS that he could calculate the “correct” price for every service rendered by every doctor in every city in America. That sounded reasonable to the government bureaucrats and they bought his research with our tax dollars. Hsiao had the Politically Correct credentials for this job: he is not an M.D. and he was a national health insurance adviser in the Carter Administration.

The lessons of the failure of centralized economic planning in the Soviet Union have not been learned by our own government. The bureaucrats admit that there are some problems with this system, but they insist with a straight face that these can be corrected with a litt1e fine tuning. The American Medical Association officials also support this price-fixing concept, and that's one reason why most physicians no longer belong to the AMA.

The price-fixing and paperwork cause some doctors to refuse to see Medicare patients like myself any more, and that means I no longer have the freedom to go to the doctor of my choice. My doctor says he can’t see me unless he complies with all the Medicare regulations and

paperwork. When I asked him to skip the paper work and just bill ne, he said he can't do that because doctors are required to file the Medicare forms every time they see a Medicare patient and are threatened with stiff fines if their fee exceeds Hsiao's formula.

Recently, Dr. Lois Copeland of New Jersey and five of her patients challenged some of these regulations in federal court. The HHS lawyers said they weren't sure about the rules prohibiting Medicare patients and their doctors from making a private arrangement. The lawyers said they didn't know where those rules came from!

The judge dismissed the case, saying that there is no clearly stated. federal policy preventing private contracting by Medicare patients. Yet, the insurance companies handling Medicare claims for the government have told doctors that Medi-care patients are NOT free to opt out of Medicare for a doctor's visit UNLESS the patient disenrolls himself totally from the Medicare program.

President-elect Clinton campaigned on a platform of health care reform. One of the first questions he will have to address is whether the elderly enrolled in Medicare can see any doctors outside of the Medicare system.

If Clinton answers no, it means that government price-fixing denies Medicare patients the freedom to choose their own doctor and makes them wards of Big Brother Government. If Clinton answers yes, it means that the Federal Government admits that it cannot successfully provide free health care even for the limited Medicare segment of the population, much less the entire country.

The Medicare chickens are coming home to roost, and Clinton and the Democrats are inheriting the results of the Medicare problem created by LBJ's Great Society. The timing is perfect because the Clinton people have implied that they want to extend to the entire country what Washington now imposes on those of us over 65.

There are solutions to the health care problem other than raising taxes and expanding the federal payroll and its price-control power. For example, the concept of the tax-free medical IRA would put dollars and choices into the hands of the individual patient.

But don't expect to hear about medical IRAs from the Clinton Administration. As liberals, they believe that individuals like myself are too dumb to know how to buy medical services correctly and so the Washington bureaucrats must do that for us.