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# Rx on Medicare's Birthday: Expand it to All

Medicare, one of our nation's most cherished social programs, turns 45 on Friday.

I was in active medical practice when, on July 30, 1965, Medicare was signed into law by President Lyndon Johnson. The law's impact on older Americans and their families was swift and spectacular. I saw the results with my own eyes.

Almost overnight, millions of Americans age 65 and older had the doors to health care opened to them that had hitherto been closed. They streamed into our doctors' offices seeking long-deferred and sometimes urgently needed medical attention.

Simultaneously, the specter of crushing medical debt was lifted from the shoulders of tens of millions of America's seniors and their children. You could almost hear a collective sigh of relief.

That was only the beginning. Through the years, Medicare dramatically reduced poverty among the elderly. It added new benefits like preventive care. It reduced racial and income-based disparities. It extended its coverage to the severely disabled. It laid the basis for nationwide, comparative health studies that have improved the quality of care for everyone.

In short, Medicare, a government-sponsored program that now covers over 45 million Americans, has been a triumphant success.

However, instead of preparing for a big 45th birthday party, Medicare is facing ominous rumblings from President Obama's debt commission and not-so-veiled threats from other quarters.

"Medicare's going broke," its market-obsessed critics say. "It's dragging down the economy."

Such alarms have been sounded about every six or seven years since Medicare's creation, but in real life it continues to thrive. Either the economy prospers, yielding greater tax revenues, or Congress tweaks the payroll tax by a tiny fraction of a percentage point, and immediately the projected shortfall disappears. (The last adjustment was in 1985, when the rate was increased from 1.30 percent to 1.45 percent.) More progressive taxes are a possible solution too.

While it is true aging baby boomers will make bigger demands on Medicare, again, modest adjustments today will assure its financial solvency tomorrow.

In fact, Medicare stands like a rock in a troubled sea of waste, inefficiency and disarray in the rest of our health care system, dominated as it is by big, corporate insurers whose paramount goal is to maximize profits, often by enrolling the healthy, avoiding the sick, raising premiums and denying claims.

Medicare is not without its problems, of course. Its benefits package could be richer. It's been denied the authority to negotiate lower prices with drug companies. The reimbursement rate to physicians could be enhanced and stabilized, instead of depending on an annual cat-and-mouse game with Congress (the "doc fix") over a flawed accounting formula that only erodes physician confidence in the program.

But the best way to remedy these problems -- and to bring down skyrocketing health care costs at the same time -- is to improve the program and, most importantly, to expand it to cover every person in the United States.

That's right: extend Medicare to everyone. By replacing our crazy-quilt, inefficient system of private health insurers with a streamlined, publicly financed single-payer program, we would reap enormous savings.

First, we would save about \$400 billion annually that is presently wasted on excess paperwork and bureaucracy. That's enough money to cover everyone who is currently uninsured and to upgrade everyone else's coverage without increasing overall U.S. health spending by a single penny.

Patients could go to the doctor and hospital of their choice. They'd be covered for all medically necessary services and medications, with no co-pays or deductibles.

Second, we'd acquire powerful cost-control tools like the ability to purchase medications in bulk, negotiate fees, develop global budgets for hospitals and coordinate capital investments. Such tools would rein in costs and help assure the program's sustainability over the long haul.

Conventional wisdom suggests we should wait and see how the Obama administration's health law plays out. But we've seen how comparable reforms have fared on the state level: they've invariably failed, chiefly because they can't control costs. Meanwhile, more millions suffer and tens of thousands die each year from lack of adequate coverage. Tragically, this picture will not be seriously ameliorated by the new health law.

It's never too late to do the right thing. So when naysayers urge cuts to Medicare, don't buy it. Tell them, as my colleague Dr. Margaret Flowers did in her recent testimony before the debt commission, to ask Congress to enhance Medicare and to extend it to all.