
REMAPPING DEBATE

Asking "Why" and "Why Not"

NYT's lame look at the Medicare horse race

Press Criticism | By Greg Marx | Health care

April 13, 2011 — Sometimes, you come across a story and have to wonder: “Exactly who was this written for?” An article in yesterday’s New York Times, “[Republican Medicare Plan Could Shape 2012 Races](#),” is one of those occasions.

The story purports to be an analysis of how an upcoming House of Representatives vote on a budget plan developed by Rep. Paul Ryan, a Wisconsin Republican who chairs the Budget Committee, will affect the next congressional campaign. There’s nothing wrong with a story that looks at the horse race through the prism of a policy debate. And one of the premises that seems to underlie the article — Republicans won big gains in 2010 in part by blasting a Democratic measure that imposed modest cost controls on Medicare, so they may face political risks if they vote for far steeper cuts — is sound enough.

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But the story exists at a level of abstraction and meta-discussion that is staggering. Time and again, we’re told what each side in the debate is going to say, or their talking points about why their argument will be well-received. Democrats “are preparing to try to brand Republican as proponents of dismantling the Medicare system,” while Republicans “say Democrats are exaggerating the impact of any vote.” Etc., etc. This tendency reaches its zenith when we read that Newt Gingrich — whose presentation here as a political savant is itself open to question, but set that aside — “said his party needed to be ready to explain why the programs needed to be revised.” If Gingrich or anyone else actually offered such an explanation to the Times, it’s not reflected in this story.

For a reader who comes across this article knowing vaguely that there is a new proposal for Medicare, but unaware of its substance — and who might prefer actual information to a dress rehearsal for campaign spin — the story offers, essentially, nothing. We learn that the GOP plan “advocates converting the program from one where the government is the insurer into one where the government subsidizes retirees in private insurance plans,” and that Republicans say this is necessary because without these changes, “Medicare will not be financially sustainable in the long run as the population ages and medical costs continue to rise.” Reading this, without any background knowledge, it must be hard to understand what the fuss is about: government insurance, government subsidies, what’s the difference?

Quite a lot, actually. Ryan’s plan wouldn’t touch Medicare for 10 years. But beginning in 2022, people who turn 65 would not be enrolled in Medicare as it now exists. Instead, they would be eligible for a “premium support payment” — essentially, a voucher — of \$8,000, on average.

That happens to be about the amount that the federal government is projected to pay for the health care of a 65-year-old in that year, if current law were to remain in place. But from that point on, the vouchers would be indexed to inflation. And because health care costs grow at well above the rate of inflation, the vouchers would steadily lose buying power. The effect of the plan — or, rather, its point — would be to shift responsibility for medical expenses from the government to senior citizens.

This design means that the Ryan plan would allow the government to sharply reduce federal health care spending as a share of GDP, according to [an analysis of the plan prepared by the Congressional Budget Office](#). Conversely, seniors would pay more. The CBO estimates that under its “alternative fiscal scenario” — a cumbersome term that basically means “current law, plus some tweaks everyone expects to happen” — the government will pay about 58 percent of a typical 65-year-old’s health care expenses in the year 2030. Under the Ryan plan, that share dips to 32 percent. That information — nowhere to be found in the Times story — makes all the abstract talk of “risk” more concrete, and gives readers an opportunity to evaluate, rather than absorb, the spin coming from each side. (CBO estimates, here and elsewhere, come with a fair amount of uncertainty, especially when dealing with far-reaching policy changes over an extended time period, but they are generally considered the benchmark for budget forecasters.)

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But if the story fails to educate on that score, on another it actually misleads. In its opening paragraphs, the article notes that Republicans are calculating that, as debt and deficit talk dominate the agenda, voters will be more “receptive to proposals to rein in costs by reshaping” Medicare.

The assumption here, unchallenged by the newspaper, is that the Ryan plan will “rein in” health care costs. But that’s a safe assumption only if the sole “costs” we’re concerned about are those borne by the federal government. According to the CBO analysis, the Ryan plan will not only shift costs from the government to individuals, it will also drive up total spending on health care for seniors. That’s because single-payer systems like Medicare are, historically, very efficient purchasers of medical care; the CBO notes that “both administrative costs (including profits) and payment rates to providers are higher” for the private plans the GOP proposal would depend on than for Medicare. By 2030, the CBO estimated, total health care spending on a typical 65-year-old will be 40 percent greater under Ryan’s plan than under the alternative fiscal scenario.

This striking conclusion has been reported in some places — see [this story in the Los Angeles Times](#), for example. And it’s a conclusion that — along with a meaningful description of what the proposal

would actually do — ought to have been relevant even in the context of the New York Times’s horse race story. One hopes, after all, that the likelihood of an argument resonating with voters depends on something more than how often it is repeated. What would the plan’s effect on seniors actually be? What’s our best guess about what the effect on government debt and overall health care spending would actually be? And might not the answers to those questions — rather than the spin around them — have something to do with voter response and, accordingly, the outcome of the horse race?

Which raises the question, again: Who is this stuff being written for, anyway?

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