

# LETTERS TO THE EDITOR

## 11/1/96 *Medicare and Medicaid: The Partisan Gap*

In a Dec. 5 op-ed column, James Glassman suggested that the gap between Democrats and Republicans on Medicare and Medicaid in the budget debate is marginal. He cites a difference of only \$5 billion in Medicare spending in 2002 and \$3 billion in Medicaid spending in 1999.

Mr. Glassman's analysis is based on a blunder. He uses Congressional Budget Office (CBO) estimates of Republican spending and Office of Management and Budget estimates of President Clinton's spending. These estimates are not compatible, because the agencies have different "baseline" estimates—spending that will occur if there is no change in the law.

When President Clinton's balanced budget proposal was released last

June, CBO also made an estimate of spending under it. CBO said the difference between spending under the Republican plan and spending under the Clinton plan would be \$33 billion for Medicare in 2002, almost seven times what Mr. Glassman asserted, and \$15 billion for Medicaid in 1999, five times what he claimed. By 2002, the difference in Medicaid spending under CBO projections would be \$35 billion—a difference equal to 20 percent of total Medicaid spending. On Dec. 13, CBO released its estimates of the president's new proposal, which show similar differences between the Republicans and Democrats in spending for Medicare and Medicaid.

An equally serious flaw in the

Glassman analysis is that he confuses budget estimates of future spending with policies. Estimates are educated guesses about spending, which no one can predict with full accuracy. Policies are fixed in law and determine which health expenses the government will pay and which expenses senior citizens and others must pay or go without. Estimates are important for budgeting, but it is policies that affect lives.

Over the next seven years, the Republican policies will raise premiums for senior couples \$2,400 above what they would pay under current law, a regressive tax on a group that has an average income of only about \$17,000 and already pays 21 percent of its income for health care. Payments to hospitals to care for seniors will be cut far below the rate of inflation in the actual cost of services.

According to the nonpartisan Urban Institute, under the Republican Medicaid plan almost 9 million seniors, Americans with disabilities and low-income children and their families will lose health insurance coverage. These Draconian cuts are made in large measure to pay for lavish new tax breaks for the wealthy.

Under the Republican plan, the Medicare program is rigged to cause Medicare to "wither away," in the words of Speaker Gingrich, and force senior citizens to give up their family physicians and join private insurance plans. The Medicaid block grant eliminates meaningful guarantees of coverage for senior citizens and the disabled, low-income children and pregnant women. It allows governors to divert money now used to pay for health services to the funding of roads, bridges and state bureaucracies. It weakens quality standards for nursing homes. It allows drug companies to reap billions in extra profits at the expense of state and local taxpayers and the poor.

If the real Republican goal is a balanced budget in seven years, compromise is certainly possible. If the Republicans' goal is to impose misplaced priorities on the president, compromise is neither achievable nor desirable. The cost of compromise under these circumstances for the American people is just too high.

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BY JOHN OVERMYER

### *Shut Out in the Shutdown*

Where is the concern and compassion for the roughly 100,000 employees of small businesses working federal contracts who have borne the lion's share of the brunt of the two government shutdowns? Crocodile tears have been shed publicly by the Clinton administration, members of Congress and the national media over furloughed federal workers. The result is that they were reimbursed following the first furlough, and there is wide speculation they will be reimbursed again.

How about the contractor employees? Where is our reimbursement or compensation?

These shutdowns have dealt us

a disproportionate triple blow. Not only have we lost our pay, but also as taxpayers we have been required to underwrite the salary reimbursement of our federal colleagues and, simultaneously, bear the monetary costs and other inconveniences imposed on all citizens by the shutdowns.

In essence the politicians of both parties in Congress and in the administration have callously grandstanded on the backs of a small minority of the national workforce, whom they all know have no constituency or leverage save their individual expressions in the polling booth.

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