

'They Haven't Thought Of 2006 at All'

EIR spoke with Mississippi State Rep. Credell Calhoun (D-68th District) on Feb. 2 during the legislative battle in the state to re-instate about 50,000 people who, except for a court order, would have been thrown off Medicaid last year by Gov. Haley Barbour. These individuals in the Poverty Level Aged, and Disabled group (PLAD) have renal failure, five chronic medical conditions, cancer, heart disease; their income is just over the Federal poverty level. They account for 54% of prescription drug costs in the Medicaid budget, but the aged among them are "dual eligible" for Medicare as well (see box on "Clawback"). Next Jan. 1, under the Medicare Reform Bill, Mississippi will have to pay, to the Federal government, their increased Medicare prescriptions premiums as well. Now, as Mississippi legislators debate their future again, the disabled people and their families have been protesting in Jackson and calling their representatives.

Asked what is at stake for those in the PLAD program, Calhoun said, "A lot of these people are on dialysis, or in

nursing homes, and things of that nature. They will be kicked out, without doubt. If Medicaid won't be paying, relatives won't be able to get care for them. It'll be difficult for their whole family. We hope we can solve it. Its very difficult to cover the costs of dialysis and certain amenities that go with the Medicaid program, like transportation. Yet, everything's on the table [for cuts]." Without Medicaid for the PLAD group, "People are going to die," Calhoun warned.

EIR asked if legislators are seeing this battle as something larger than Medicaid, involving the entire national economy. "No, they don't know that," he replied. "Some of them are just following Haley Barbour. And some of them don't care yet. It's going to hit them, and it's going to hit [President] Bush, when that Medicare prescription drug law takes effect next year. I don't think a lot of people are going to be getting care when that law takes effect. Medicaid won't be able to pay for the increased premiums. We don't really know what the costs to the state will be. The legislators have been struggling so hard to find a way out of this crisis, that they haven't considered 2006 at all."

"We know there will be fallout, but they don't care; some Republicans don't seem to give a damn," said Calhoun. But I hear everyday now, that they are not going to support Barbour again."—*Linda Everett*

beneficiary will pay 75% out-of-pocket before full coverage kicks in.

As of 2002, the Medicare Trust Fund was projected to be solvent with a surplus until at least the year 2030, even with a large portion of the Baby Boomers hitting retirement age by then. But with the appointment of Thomas R. Saving as a Trustee to the Social Security and Medicare Trust Funds—he was described by CATO Institute's Social Security Privatization Project executive director Michael Tanner, as "the real hero of the [privatization] revolution"—with skyrocketing costs of health care and prescription drugs, and with the added costs of implementing Bush's prescription drug swindle, that solvency is now projected to vanish by 2019. Saving rants, "the financial problem of Medicare is five times as great" as the alleged Social Security "crisis."

In a message included with the 2004 Annual Report of the Social Security and Medicare Boards of Trustees, it is reported, "the projected financial status of Medicare has taken a major turn for the worse since last year's reports." The trustees assert that the increase in the deficit in the Part A (Hospital Insurance) trust fund is "mainly due to higher actual and projected hospital expenditures, as well as lower actual and projected taxable payroll, and *new Medicare legislation*" (emphasis added). So, clearly, the Feb. 8 revelation was no surprise to the trustees. It's just that Bush didn't want to tell

Congress and the American people.

There is a long-term solvency problem, but it cannot be solved in a "budget" context. Rather, we must step out of the box and think big, as President Kennedy did when he mobilized the nation to get to the Moon. Health care in a productive, growing economy is integral to the functioning of such an economy. Under such conditions, public health becomes a priority. For example, adequate immunization programs will lead to fewer hospitalizations and thus lower these costs. In a productive and scientifically advancing economic environment, new medical technologies will not be limited by HMO gate-keepers. A case in point was the development of MRI scanners, in the late 1970s, which were to be an aid to doctors in *preventive* care, because early detection of a disease can lead to considerable cost reductions.

Will Congress Repeal MMA, or Gouge Medicare?

Reacting to the Bush Administration's latest cost revelations, both Democrats and Republicans raised their voices. Sen. Diane Feinstein and Rep. Nancy Pelosi (both D-Calif.) each called for re-opening the 2003 MMA, due to the huge cost increase. Feinstein said, "the Senate Finance Committee should investigate the process used to estimate the cost of the bill." Pelosi demanded, "Congress must have oversight