

Medicare community comment: Mike Goldsby, August 16, 2012

I turned 60 this summer and suddenly, the topic of Medicare is much more interesting to me than it has been most of my life. I remember my Grandpa Gordon telling me in the early 1960's that if you worked hard, Social Security and Medicare would take care of you after you retired. It was your earned reward for hard work and it would meet all of your needs.

By the time I entered the adult workforce, I knew that was no longer true for Social Security. But I paid very little attention to Medicare. It was just a deduction on my paycheck stub.

But Medicare will receive a lot of attention during this election and after. In the early campaign, Mitt Romney has been smart enough to stay vague on details and let Obama run against the bad economy. But that will get harder for Romney to do with the addition of his running mate Paul Ryan. Ryan is a conservative intellectual and not afraid to make specific recommendations on issues like Medicare reform.

Romney has even tried to distance himself from Ryan's specific proposal. I visited Romney's website and there he says his plan quote "Almost precisely mirrors Ryan's plan."

My condensed version of the Romney/Ryan Plan: Medicare recipients would receive a fixed amount of money for Premium support to purchase insurance coverage from private companies or to stay with the current Federal Medicare. In my opinion, that would certainly serve to contain costs by shifting any increased costs to the recipient. Romney's website predicts quote "With private insurers competing against each other to provide the best value to customers, efficiency and quality will improve and costs will decline." End quote. We currently have a very competitive insurance market. Insurers claim they are providing the best value to their customers. But that free market does not seem to be causing our premiums to go down.

One Romney premise is that the costs of administering Medicare are much higher than the costs of administering private insurance

companies. There are experts speaking up on every side of this complicated issue. Ezra Klein, columnist for the Washington Post, writes that it is not whether an insurer is private or public that determines administrative costs. He maintains the size of the insurance carrier determines whether administrative costs are higher or lower. He writes that the real driver of increasing insurance premiums is the increasing cost of the care, increasing faster than any other aspect of our economy.

Romney's website writes "Seniors will be allowed to keep the savings from less expensive plans or choose to pay more for costlier plans." So you could save money by taking a plan with less coverage or higher deductibles. He and Ryan advocate that low income seniors should receive more premium assistance and wealthier seniors receive less. That makes perfect sense to me as a legitimate way to decrease costs.

I think Ryan's plan deserves serious consideration but that is unlikely to happen in a political debate.

Another selling point of the Ryan plan is that it does not affect anyone who is now older than 55. Heck, what am I worried about?

This is Mike Goldsby for Community Comment