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Election 2012: Medicare

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Distinctly Catholic

The general state of the economy, and especially the lingering high unemployment rate, will be the central focus of the campaign for the next two months. That debate is important, and as I have tried to argue, even while budgetary issues do admit an obvious role for prudential judgment, there are deeper, more philosophic and theological issues at stake in that debate. Over the next few weeks, I will be using my Monday column to look at some of the issues in this campaign through the lens of Catholic social teaching.

Today, I want to focus on the debate about Medicare because here the connection between prudential policy judgments and first principles is even more obvious. The original Ryan plan was to leave Medicare untouched for those over 55 and for everyone under 55, turn the system into a voucher system. Instead of a guaranteed benefit, in which the government is pledged to cover all costs of health care for the elderly, seniors would receive a voucher with which they could purchase private insurance in the market. The idea is that competition among insurance companies would force prices down and contain costs. Earlier this year, Ryan amended his proposal. Now, he would allow anyone who wants to the chance to keep traditional Medicare, that is, to retain the guaranteed benefit.

At first blush, this latter proposal seems like a winner. After all, if anyone doesn't want to shop for insurance policies, they can keep traditional Medicare. But, it is not that simple. If some seniors opt to shop for their own policies, insurance companies will find ways ? they do this already for the pre-65 customers ? to attract healthier clients and to refuse coverage to less healthy clients. The less healthy would have to stay in traditional Medicare which would, of course, become more expensive on a per person basis because it covered only those less healthy individuals the insurance companies declined to cover.

Gene Sperling, Director of the National Economic Council, warned about this last March. "This is what I find most disturbing" it takes this basic Medicare guarantee and essentially creates a two-tier system in which people and health care plans have a fundamental economic incentive to try to siphon off the healthiest and youngest workers, thereby raising costs more for people who want to stay in Medicare," Sperling said. "That drives more people out of Medicare making the cost even higher for those who remain. So this process risks creating an actual death spiral for the basic guarantee of Medicare as more people are forced out of the system and those who remain face higher and higher costs." Sperling was criticized for using the phrase "death spiral" although the criticism was somewhat blunted by the fact that it was made by those who had earlier warned about "death panels." But, he was on to something.

It is now obvious that you can find a study to support any ideological position you wish. It was not so long ago, that people used studies to correct their own presuppositions but now they are used to bolster claims previously arrived at by other means. So, if the Romney/Ryan plan were enacted, within a matter of years you would find some Republicans calling for the elimination of Medicare entirely because, after all, it is so much more expensive than the private insurance for the elderly. If you overlook the ability, indeed the right, of insurance companies not to enter into a contract with some people, and the insurance companies use that right to only select the younger and healthier workers, and remove that piece of data from the study, then of course the private plans would yield better health outcomes at a lower cost than traditional Medicare, which would be forced to cover all those whom the insurance companies rejected. The politics and the math would combine to create what Sperling correctly called a "death spiral."

I would add a slightly different concern. I resist two-tier systems per se. I think it is a good thing for our sense of national identity that both the rich and the poor are brought together into a one-tier system. I think it is important for the U.S. as a commonwealth to insist that all Americans, but especially our elderly, are entitled to health care simply because they are human beings. I do not believe we should have a government program for every societal problem. I do not believe that political solutions are always effective. But, I do believe that our Catholic concern for human dignity requires our nation to guarantee that all Americans have food, shelter, health care, those things without which human dignity will itself become subject to the vagaries of the market. Our society "indeed no society" can or should guarantee equal outcomes in life: Some people will prosper, and the poor we will always have with us. The Marxist ideal was always a false ideal. But, we can, as a society, insist that the basic necessities of life are understood as entitlements, that "entitlement" is not a bad word, and that any humane society should guarantee those necessities of life in law. Human dignity does not require a beach house, or four cars, still less a beach house with an elevator for one's four cars, but I think it does require food, shelter, and health care.

And, while Governor Romney and Congressman Ryan like to talk about the virtues of an "opportunity society" as someone who has begun getting mail from the AARP, I can assure them that when I hit 65 and have to contemplate health care coverage, I will be a lot less interested in opportunity and a lot more interested in security.

Those Catholics who have been apologizing for the Romney/Ryan plan may talk about prudential judgment and suggest that the Church has nothing definitive to say about such matters. But, policy is not distinct from principles; policy applies principles and some policies reflect different principles, not just their application. Mr. Ryan can protest all he wants that he has abandoned the ideas of Ayn Rand for the idea of St. Thomas Aquinas, and I hope he has. But, his plan to voucherize Medicare is a leftover from his Rand days. In the debate over the future of Medicare, we really do see a choice between a "we are all in this together" society and a "you are on your own" society, and there can be no doubt, repeat no doubt, where the Church stands on that choice.

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