

Medicare Maladies

A Series that Exposes the Dangerous Elements of the Medicare Bill currently in Committee

MM #13: Whatever Happened to the Medicare of 1965?

It got older, that's what. Medicare is 38 today—not quite middle-aged, but around long enough to need changes to keep up with the times.

Medicare began on July 30, 1965, as a noble effort to help retirees get better health care at affordable costs. “No longer will illness crush and destroy the savings they have so carefully put away over a lifetime so that they might enjoy dignity in their later years,” President Lyndon B. Johnson said when he signed Medicare into law.

But LBJ is long gone. College students in his day are now almost eligible for Medicare. However, as they aged, Congress did little to change how the program is run—except to cut payments to doctors, and the recent clumsy attempt to add prescription drugs as an entitlement.

That attempt is a doozy: With 77 million aging baby boomers entering the program soon, Medicare's cost to future generations is almost beyond belief. A Medicare drug entitlement alone will cost \$2 trillion through 2030, with increasing costs thereafter, according to Heritage Foundation research. To put it another way, babies born today would, by age 27, pay extra taxes averaging \$1,125 per household. That's on top of Medicare's payroll taxes and other taxes needed to cover future shortfalls in Social Security and Medicare itself.

That means in the 21st century, illness won't “crush and destroy” the savings and dignity of many people. Without real reform, it will be the Medicare drug entitlement itself.

Read more of Heritage's Medicare research at heritage.org.

For more information or to receive an e-mail version of “Medicare Maladies,” contact medicaremaldies@heritage.org or call Heritage Media Services at (202) 675-1761.

(“Medicare Maladies” is a regular feature, launched 7/14/03, from The Heritage Foundation. Sad to say, there's another malady coming your way tomorrow. Daily “maladies” are also available on heritage.org.)