

Medicare Maladies

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

MM #14: No, The Kids Will Not Be All Right

Think “Medicare,” and “old people” come to mind.

But as Congress considers adding a prescription drug entitlement to the 38-year-old program, lawmakers also should keep “young people” in mind, too.

They are, after all, the ones who will be paying for it—big time.

Adding a drug entitlement to Medicare without substantial reform would be a “huge tax on the next generation of young working Americans,” according to Heritage Foundation health-care expert Robert Moffit in a July 30 CNN interview. “It’s going to be crushing.”

Moffit told CNN viewers that, even if the government picks up the tab for only a quarter of all prescription-drug costs, by the year 2026, 24 cents out of every dollar the federal government receives through taxes will be spent just on Medicare.

But Moffit has said that even without the prescription-drug package, Medicare’s condition is critical. By 2026, 20 percent of federal taxes will be used just to maintain current Medicare demands. Meanwhile, general revenue transfers to Medicare will double. And the number of Medicare patients will likely double by 2033 as 77 million baby boomers retire.

The only way Medicare can absorb this shock is by imposing market discipline on the program, Moffit says. That way, old and young people alike can benefit from it.

See Moffit’s CNN interview and Heritage’s Medicare research at heritage.org.

For more information or to receive an e-mail version of “Medicare Maladies,” contact medicaremaladies@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.)