

Medicare Maladies

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

MM #56: Medicare, the Ineffective Price Controller

Medicare is more than a government-run health insurance program for America's elderly.

It's also one of the government's biggest price-controllers, creating a bureaucracy that hurts both doctors and patients, Heritage Foundation health-care expert Robert Moffit says.

Medicare sets prices for each one of the more than 7,000 procedures that are allowed by doctors in the program, Moffit said in a Sept. 25 interview with Denver's *Rocky Mountain News*. It determines the price for medical technology, medical devices, in-patient hospital prescription drugs and skilled nursing facilities. And, as people who lived in socialist or communist countries can tell you, price controls don't reduce the price of these services.

"With mathematical certainty they will reduce the quality and the quantity of services," Moffit told the *News*. "More and more physicians are not taking new Medicare patients. Why? First, because the Medicare reimbursement in many cases does not even cover their costs. Second, they have to deal with the Medicare paperwork. Doctors spend an awful lot of time complying with Medicare rules and paperwork."

This is a point rarely made in Washington as lawmakers attempt to add prescription drugs as an entitlement in Medicare. It should be heard more often as 77 million baby boomers prepare to retire, starting in 2011. And it should be acted on immediately.

Read more Heritage 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.)