



## Top 10 Reasons to Support Paul Ryan's Medicare Plan

### 1. It will save Medicare (and thus the U.S. government) from bankruptcy.

The current Medicare system is in drastic need of reform. It is the second largest federal program and the fastest growing with long-term liabilities in excess of \$38 trillion.<sup>1</sup> Medicare spending is expected to double over the next decade.<sup>2</sup> Doing nothing to fix Medicare will ultimately result in bankruptcy, rationing and benefit cuts. The plan offered by Rep. Paul Ryan (R-Wisconsin) will help to ensure Medicare solvency for current retirees and future generations without rationing or benefit cuts. Unfortunately, President Obama and congressional Democrats vehemently oppose the Ryan plan, yet they have failed to offer a plan of their own to save Medicare. In effect, their plan is to let Medicare "die on the vine." Rep. Ryan's plan would save Medicare.

### 2. It will allow patients to choose their Medicare plan.

The Ryan plan transforms Medicare from a misguided "one-size-fits-all" program into a consumer choice system. The plan empowers seniors to choose the coverage that best meets their individual needs from a list of competing health plans. These health plans are privately run but regulated by the government to ensure seniors get what they're promised. The consumer choice model is a proven success, working well for patients and taxpayers alike. Two well-known and highly popular examples of a consumer choice model are the Medicare Advantage program (currently chosen by 25 percent of Medicare seniors) and the Federal Employees Health Benefit Program (the health plan enjoyed by Members of Congress and federal workers).

### 3. It will introduce competition in Medicare.

Increased competition will improve the quality of health care. Many seniors are dissatisfied with their "one-size-fits-all" Medicare. The Ryan plan will force health care plans to compete with each other, which in turn will incentivize health coverage providers to serve their consumers better than their competition. The result will be better quality health care benefits at a lower cost.

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<sup>1</sup> Dick Armey and Matt Kibbe, "The Medicare Test for President." *Wall Street Journal* 5/20/11  
<<http://online.wsj.com/article/SB10001424052748704816604576333150097033250.html>>.

<sup>2</sup> "The Facts on Medicare and How to Save it." House of Representatives Committee on the Budget.  
<<http://budget.house.gov/fy2012budget/medicare.htm>>.



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#### **4. It will increase patient satisfaction.**

People are happier and better off when they are free to choose how they will provide for themselves. Federal bureaucrats cannot possibly know all of our unique health care needs. The Ryan plan allows each person on Medicare to have more control over their health care decisions.

#### **5. It will not affect current seniors.**

The Ryan plan does not touch Medicare plans for anyone currently 55 years or older. Its improvements will put Medicare on a sustainable path for American taxpayers while protecting the benefits of current seniors.

#### **6. It will help to slow the growth of health care costs.**

Health care costs are growing out of control. The average American household spends more than \$25,000 annually on health care. This is nearly 50 times more than what a family spent in 1960.<sup>3</sup> The Ryan plan would force health coverage providers to keep costs low in order to stay competitive. This would help make health care more affordable for American families and help reduce the enormous burden Medicare places on the federal budget.

#### **7. It will give future seniors the same kind of coverage that Members of Congress enjoy.**

Starting in 2021, the Ryan plan would enroll new Medicare beneficiaries in the same kind of health care program that Members of Congress enjoy today. Members of Congress are not trapped in a “one-size-fits-all” system; instead — unlike most Americans — they are allowed to choose from a wide variety of health care options.<sup>4</sup> Everyone deserves to have more options.

#### **8. It will stop President Obama’s rationing plan.**

President Obama plans to set up a panel of 15 unelected bureaucrats, known as IPAB, to cut out hundreds of billions of dollars of Medicare spending. Highly controversial, IPAB was created as part of the President’s health care law to make deep cuts in the amounts the government pays to those doctors and hospitals who agree to treat Medicare patients. (The reason for his deep Medicare cuts: to help fund his new health care entitlement, popularly known as ObamaCare.) IPAB-style cuts in doctor and hospital payments will unavoidably lead to rationing and reduced access to care, because fewer doctors and hospitals will be willing to treat seniors. In fact, the experts within President Obama’s own Administration have admitted that if the planned Medicare cuts take effect, Medicare will end up paying less for care than even the troubled Medicaid (welfare) program does today, causing 15 percent of America’s hospitals to go out of business.<sup>5</sup> We must not let the unelected IPAB board ration seniors’ care. The Ryan plan would

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<sup>3</sup> “The Facts on Medicare and How to Save it.” House of Representatives Committee on the Budget. <<http://budget.house.gov/fy2012budget/medicare.htm>>.

<sup>4</sup> “Summary of the Fiscal Year 2012 Budget Resolution.” <<http://budget.house.gov/UploadedFiles/KeyFactsSummary.pdf>>.

<sup>5</sup> Centers for Medicare and Medicaid Services, “Estimated Financial Effects of the ‘Patient Protection and Affordable Care Act,’ as Amended,” 4/22/10, p. 10 <[https://www.cms.gov/ActuarialStudies/Downloads/PPACA\\_2010-04-22.pdf](https://www.cms.gov/ActuarialStudies/Downloads/PPACA_2010-04-22.pdf)>.



keep doctors and hospitals in the Medicare program by making the system more modern, efficient, and consumer-driven.

**9. It will prevent otherwise inevitable benefit cuts.**

Today, the average senior gets “back” in Medicare benefits more than three times the amount he paid into the system through payroll taxes during his working years. That is a “great deal” for today’s seniors; but such a huge imbalance is unsustainable and must eventually end, lest it bankrupt the entire government. Doing nothing today will simply force Washington to make big benefit cuts in coming years. If current trends continue, young people who paid into the system will likely never receive full Medicare benefits. The Ryan plan would introduce a modern, patient-centered system that would avert the coming benefit cuts through more efficient delivery of care.

**10. It’s a big step in the right direction.**

The Ryan plan is not a cure-all. We still have a long way to go before we solve our health care problems. For example, most American seniors are involuntarily dependent on Medicare, because current law does not permit them to keep their own private insurance when they turn 65 or to opt out of the government program. That’s wrong. Individuals should be free to opt out of the compulsory Medicare system altogether. While Rep. Ryan’s plan unfortunately does not address this problem, it *would* set us in the right direction. We applaud Rep. Ryan for introducing a bold proposal that would save Medicare and help to improve health care quality.

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