Medicare and Medicaid are entitlement programs that are of great concern to congressional leaders. In both programs, the numbers of beneficiaries and benefits are outstripping the money budgeted, with the grave possibility they will be bankrupt in a few years.

One significant problem that will affect the Medicare program is the projected marked increase of beneficiaries—the baby boomers—the 76 million persons who were born between 1946 and 1964. These individuals are just turning 50, and they will markedly affect the Medicare program in the next 15 to 35 years. The life expectancy of men is now 81 and women 85. Most likely the baby boomers born in 1960 will not received Social Security benefits until they’re 67 years old. Today 33.4 million Americans are 65 years and older compared to the projected 59.4 million who will be 65 in 2030. Today those who are over 85 is about 3.5 million compared to the projected 5.8 million who will be 85 in 2035. The boomers will be the first long-lived generation, the first to really get a taste of mass longevity. Boomers increasingly are splitting into two groups: the haves who tend to come from two-salary households with college degrees, and the have nots, the 45% with a high school diploma or less. About three-fourths of boomer women are in the labor force and will more than likely have their own pensions, as compared to their stay-at-home mothers. Unfortunately, the have nots, who will head toward retirement with low-wage jobs, low pensions, little or no health coverage, and minimal financial security by way of savings and home equity, will experience a gloomier picture. Today four workers support one Medicare patient, and by 2030 this ratio will be two to one. If the Medicare program is to be preserved, a marked change in addressing Medicare issues must occur.

I agree with Dr Richard R. Kelley who recently wrote that during the past decade the power to make decisions about the delivery of health care has become more and more concentrated in the hands of bureaucrats and corporate executives who have become the customer and consumers seeking health care are told which doctors they can see, what services they can have, and when they can leave a hospital. Citizens should be allowed to receive health care funds tax free. Medicare and general health care reform should include this provision which would allow both employees and retirees to set up tax-free health care savings funds and buy health care insurance and/or health care directly from providers. The marketplace will rule as smart consumers seek the best services. The reverse is happening now. Government bureaucrats and corporate accountants select health care providers, dictate fees, services, and availability. Health maintenance organizations are slashing fees paid to doctors, and hospitals are refusing to do business with those who will not abide by the reduced payment schedules and reduced services offered to patients.

In order to control the appropriate use of Medicare benefits, the system must reward those who do not waste or demand overuse of the system. The use of medical savings accounts for Medicare recipients is one suggested option. All appropriate and necessary care would be provided and futile activities would be eliminated. Management costs must be minimized, thereby allowing maximal funds for patient care.