

Baby boomers fear outliving Medicare

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Realtor Lynn Barlow poses for a portrait in her home in Canton, Ga., in this photo taken Thursday, Dec. 9, 2010. Barlow believes she and her husband, who have paid into the Medicare program their whole working lives, and are entitled to collect benefits. At the same time, she's willing to make some sacrifices to preserve the level of services. (AP Photo/John Bazemore)

(AP) -- The first baby boomers will be old enough to qualify for Medicare Jan. 1, and many fear the program's obituary will be written before their own.

A new Associated Press-GfK poll finds that [baby boomers](#) believe by a ratio of 2-to-1 they won't be able to rely on the giant [health insurance](#) plan throughout their retirement.

The boomers took a running dive into adolescence and went on to

redefine work and family, but getting old is making them nervous.

Now, forty-three percent say they don't expect to be able to depend on Medicare forever, while only 20 percent think their Medicare is secure. The rest have mixed feelings.

Yet the survey also shows a surprising willingness among adults of all ages to sacrifice to preserve Medicare benefits that most Americans say they deserve after years of paying taxes into the system at work.

Take the contentious issue of Medicare's eligibility age, fixed at 65, while the qualifying age for Social Security is rising gradually to 67.

Initially, 63 percent of boomers in the poll dismissed the idea of raising the eligibility age to keep Medicare afloat financially. But when the survey forced them to choose between raising the age or cutting benefits, 59 percent said raise the age and keep the benefits.

"I don't mind the fact that people may have to work a little longer," said Lynn Barlow, 60, a real estate agent who lives outside Atlanta. Especially if there's time to plan, laboring a few extra years allows people to save more for retirement.

Bring up benefit cuts and Barlow isn't nearly as accommodating. "I started working when I was 16 and I expect a benefit after putting into it for so many years," she said.

As Medicare reaches a historic threshold, the poll also found differences by age, gender and income among baby boomers. For example, baby boom women, who can expect to live longer than both their mothers and their husbands, are much more pessimistic than men about the program's future.

Medicare is a middle-class bulwark against the ravages of illness in old age. It covers 46 million elderly and disabled people at an annual cost of about \$500 billion. But the high price of American-style medicine, stressing intensive treatment and the latest innovations, is already straining program finances. Add the number of baby boomers, more than 70 million born between 1946 and 1964, and Medicare's fiscal foundation starts to shake.

Here's the math: when the last of the boomers reaches age 65 in about two decades, Medicare will be covering more than 80 million people. At the same time, the ratio of workers paying taxes to support the program will have plunged from 3.5 for each person receiving benefits currently, to 2.3.

"The 800-pound gorilla is eating like mad and growing to 1,200 pounds," said economist Eugene Steuerle of the Urban Institute, warning about the imbalance. "The switch from worker to retiree status has implications for everything."

The government can't balance its books without dealing with health care costs, and Medicare is in the middle. Some leading Republicans and a few Democrats have called for phasing out the program and instead giving each retiree a fixed payment - or voucher -to help them buy private medical insurance of their choice. The poll found doubts about the idea, and a generational debate.

Overall, a narrow majority (51 percent) of Americans opposed the voucher plan. But those born after 1980 favored it by 47 percent to 41 percent, while seniors opposed it 4-to-1. A majority of boomers were also opposed, with 43 percent strongly objecting.

However, younger boomers like RoxAnne Christley of Roanoke, Va., were more likely to be favorable.

"I think that's a possibility if it brings choices and competition," said Christley, 47. "We don't need to stimulate the government; we need to stimulate the economy. A lot of people have different choices when it comes to medical coverage, and I see nothing wrong with that at all." Christley is self-employed, counseling new mothers on breast feeding.

Changes that don't involve a full-scale re-engineering of Medicare tended to draw more support in the poll, especially when the survey forced people to choose between giving up benefits or making some other kind of sacrifice.

For example, 61 percent of Americans overall favored raising Medicare taxes to avoid a cut in benefits. The current payroll tax is 2.9 percent on wages, evenly divided between workers and their employers. The new health care law added a surcharge of 0.9 percent on earnings over \$200,000 for individuals and \$250,000 for couples filing jointly.

When forced to choose, even a majority of Republicans said they would rather pay higher taxes (53 percent) than cut benefits (38 percent). Among adults in their 20s, who'd face a whole career paying higher taxes, 61 percent said they would be willing to pay more to preserve benefits. Only 29 percent of boomers said keep taxes the same but cut benefits.

"If people are forced to the wall and something has to be done about the financial shape of the program, they would rather take their medicine by raising taxes and moving the eligibility age than having the benefits cut when they retire," said polling analyst Robert Blendon of the Harvard School of Public Health.

A narrower majority of Americans - 54 percent - also favored requiring people on Medicare to pay higher copayments and deductibles so that payments to doctors don't have to be cut.

Support was surprisingly strong among seniors, 62 percent of whom said they'd be willing to pay more so that doctors' fees don't have to be cut and more doctors keep accepting Medicare payments.

"In its present form, [Medicare](#) will be insolvent before my grandkids get there," said Fred Wemer, 73, a retired dentist from Seattle. He says Medicare's biggest problem is that it rewards inefficiency by not paying doctors enough to keep people healthy and then paying for just about everything - even botched procedures - when patients get into trouble.

"We've got a discrepancy in how doctors are paid," said Wemer.

"Primary care doctors, the ones who listen to you, they're underpaid. But specialists get paid way over what they're worth."

The AP-GfK Poll was conducted Nov. 18-22, 2010, by GfK Roper Public Affairs and Corporate Communications. It involved landline and cell phone interviews with 1,000 adults nationwide, and has a margin of sampling error of plus or minus 4.3 percentage points.

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