

# How To Fix Medicare: A New Vision for a Better Program

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The Heritage Foundation's Robert Moffitt and the Ethics and Public Policy Institute's James Capretta released a high-quality paper this week on Medicare reform (<http://www.heritage.org/Research/Reports/2010/12/How-to-Fix-Medicare-A-New-Vision-for-a-Better-Program>) that offers five key areas for improvement:

1. Predictable and Stable Financing
2. Broad Personal Choice of Plans and Options
3. Standards that Meet or Exceed the FEHBP's
4. Freedom of Choice for Medicare Enrollees
5. Medicare Savings for Medicare Alone

They write:

"A better Medicare program, with a range of personal choice and a system of governance broadly similar to the FEHBP, will give Medicare patients control over the flow of dollars and freedom to make decisions about how they access medical services. This will stimulate intense market competition among plans and providers, control costs, and promote rapid innovation and higher productivity through the efficient delivery of quality care, thus guaranteeing value in return for retiree premiums and taxpayer dollars. Strong budgetary controls will back up the competitive structure, ensuring that the Medicare program remains affordable. Most important, these reforms will promote personal freedom of choice as well as stable and reliable health insurance."

This is a good start. While not feasible within the current Congress, it's a good encapsulation of improving this unwieldy program in ways that move us toward a system empowering consumers.

*SOURCE: Heritage Foundation, <http://www.heritage.org>*