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## Publisher's Page

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Medicare, America's national health insurance plan for its disabled and elderly populations, is one of our government's most generous entitlement programs. And that is its greatest strength as well as its critical weakness. We cannot afford to sustain Medicare without reforming it. The Republican-controlled Congress deserves credit for biting this most sensitive of political bullets. The response of the Clinton administration to this GOP initiative has not been one of its finer hours, but the battle has been joined. However this struggle ends, there is no doubt that Medicare faces dramatic changes in the years ahead. The Republican budget would slow the rate of increase in annual Medicare program spending from the current 10.5 percent rate to 6.5 percent. This is an important policy departure, particularly for a program that faces bankruptcy of its Hospital Insurance (Part A) trust fund by 2002. However, the accrued savings would not begin to address the financial impact on the program that looms head because of the baby-boom generation, the beginning cohort of which will reach retirement in fifteen years. The second major change to Medicare will come when the program more firmly embraces managed care. The lead essay of this volume by economists Henry Aaron and Robert Reischauer signals a concession among Democratic thinkers that Medicare must be reconfigured to reflect the current directions of the private insurance marketplace. A third major change to Medicare will be new roles for physicians, hospitals, and other health care providers. As a physician, I am gratified to see the proposal of provider service networks as an integral feature of a reformed Medicare program. The Medicare recommendations put forward by the Republicans are not perfect, but they provide a basis for needed rational negotiation among the competing interests. May all of my fellow elderly Americans recognize that the Medicare that they treasure can only be salvaged for the long term through courageous and sensible action.

*William B. Walsh, M.D.*  
*Publisher*