

# Resolution

## Medicare

*Adopted September 6, 2002*

*Amended May 12, 2006*

*Amended June 26, 2013*

**Whereas** Medicare is the nation's largest and most successful health insurance system serving the health needs of almost 57 million senior and disabled beneficiaries; and

**Whereas** Medicare is financially efficient—administrative costs average only 2 percent of program outlays compared with 25 percent in private small group market plans and 5-6 percent in the large market plans; and

**Whereas** Medicare beneficiaries on average are spending about 26 percent of their Social Security incomes for health needs, far higher than younger age groups; and

**Whereas** the Medicare program does not cover the costs of annual physical exams, dental health, eyeglasses, hearing aids and foot care which are particularly important to seniors; and

**Whereas** employer-provided health coverage for retirees continues to decline with increased cost-sharing for retirees and elimination of coverage for future retirees; and

**Whereas** thousands of Americans who are forced to retire before age 65 and who do not have continuing employer health coverage face huge costs for even minimal health insurance coverage; and

**Whereas** the Medicare Modernization Act (MMA) of 2003 introduced changes, including privatization, to Medicare that affect the program's fundamental structure; and

**Whereas** beginning in 2007 the MMA introduces means-testing to Medicare Part B—higher income beneficiaries will have to pay higher premiums for doctor and outpatient services; and

**Whereas** Medicare Advantage have been a failed experiment yet their expansion is encouraged through subsidies under MMA; and

**Whereas** Medicare Part D, the prescription drug benefit administered by a maze of private health plans, is both complex and confusing to Medicare beneficiaries, offering no uniform national plan available to all beneficiaries; and

**Whereas** the MMA transferred the drug benefits of dual-eligibles – individuals who qualify for Medicare and Medicaid – to the Medicare program, and under the Medicare program pharmaceutical companies are not required to pay discounts for these beneficiaries; and

**Whereas** the House Republican budgets of FY 2013 and 2014 call for premium support of Medicare benefits, which would provide seniors with a limited stipend that would not be sufficient to cover the cost of care and would not keep up with medical inflation; thus, requiring Medicare beneficiaries to pay more and more money out-of-pocket.

**Whereas** the most recent Medicare Board of Trustees report indicates that the Medicare solvency date has been moved back to 2026, two years later than last year and 9 years later than was reported prior to passage of the Affordable Care Act (ACA); and

**Whereas** the ACA included many improvements to the Medicare program, including an annual wellness examination, preventive services with no cost-sharing and pharmaceutical discounts with government subsidies to help close the “doughnut hole” in Part D coverage gap; and

**Whereas** beginning in 2011 the ACA introduced means-testing to Medicare Part D—higher income beneficiaries will have to pay higher premiums for prescription drugs; and

**Whereas** proposals are pending to increase costs to Medicare beneficiaries, including more means-testing, a surcharge on Medigap policies and home health co-payments, and such proposals do not address the rising costs of health care but, instead, shifts the costs on to beneficiaries.

**Therefore, be it resolved** that the Alliance for Retired Americans:

1. Supports a strengthened Medicare program with expanded benefits including:
  - A prescription drug benefit administered by the Medicare program
  - Affordable home and community-based long-term care
  - Annual physical exams, dental health, eyeglasses, hearing aids, and foot care
  - Rehabilitative, nursing home, and other vital services
  - The improvements to Medicare in the ACA, including annual wellness visits, preventive services without co-payments, and the closing of the doughnut hole; and
2. Supports a specific affordable limit on out-of-pocket spending by beneficiaries; and
3. Supports Medicare reimbursement levels that ensure quality care and access and hold providers accountable for how funds are spent; and
4. Supports Medicare coverage of early retirees at affordable premium rates; and

Supports repeal of the Part B and Part D premiums means-testing provisions.

**Be it further resolved** that the Alliance for Retired Americans opposes shifting costs on to Medicare beneficiaries and any undermining of federal administration of Medicare by turning it, or any part thereof, over to insurance companies and other private sector plans and therefore:

1. Supports Medicare administration of the Part D prescription drug benefit, similar to Medicare's administration of Medicare Parts A and B; and
2. Supports requiring pharmaceutical companies to pay discounts to the government for dual-eligibles – individuals who qualify for Medicare and Medicaid – and for low-income Medicare beneficiaries.