



Resolution Medicare

Adopted September 6, 2002

Amended May 12, 2006

Whereas Medicare is the nation's largest and most successful health insurance system serving the health needs of almost 43 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 20 percent of their 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 Part C private managed care plans—previously known as the Medicare+Choice program now called 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 beginning in 2010, Medicare will have to compete with private insurers in six areas of the country in a premium support demonstration project that will lead to the further privatization of Medicare and create a tiered health insurance program; and

Whereas in his FY 2007 budget President Bush proposed expanding Health Savings Accounts (HSAs) with high deductibles into the Medicare program—to be launched as Medicare Medical Savings Account Plans (MSAs) in 2007—thereby creating another means of moving beneficiaries into private insurance plans; and

Whereas under privatization Medicare would no longer be a social insurance program with guaranteed benefits but would become a part of the private health insurance market subject to fluctuating conditions; and

Whereas the most recent Medicare Board of Trustees report indicates that the Medicare solvency date has been moved forward to 2018, a decline of 11 years since 2001; and

Whereas the decline in solvency is due in no small part to the Bush administration's excessive subsidies to health maintenance organizations and private insurers and a failure to control national health care costs.

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
 - Extended preventive services without co-payments; 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
5. Supports repeal of the Part B premiums means-testing provision.

Be it further resolved that the Alliance for Retired Americans opposes 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 repeal of the 2010 demonstration project that forces Medicare into competition with private plans; and
3. Opposes implementation of Medicare MSAs.

The Alliance for Retired Americans is a nationwide organization of three million union retirees and other older and retired Americans working together to make their voices heard in the laws, policies, politics and institutions that shape our lives.