



ADVOCACY ALERT!

# Save Medicare

Dec. 16, 2016

**ACTION NEEDED:**  
*Ask your U.S.  
Senators and  
Representative to  
protect Medicare.*

## Background

Most everyone is likely familiar with President-elect Trump's campaign promise to "repeal and replace Obamacare" (The Affordable Care Act). Trump also promised during the campaign not to cut Social Security and Medicare. What you may not know, however, is that Speaker Paul Ryan's "Better Way" health care plan not only repeals Obamacare, but gradually replaces Medicare with a "premium support" or voucher plan. The recent nomination of Tom Price (R-GA) as Secretary of Health and Human Services is another indication that Medicare is in danger as he has been a proponent of Ryan's Medicare plan. And, Trump's Transition website provides a brief summary of Ryan's plan under the heading "Health Care Reform."

## Ryan's Plan for Medicare

The major components of Ryan's plan are as follows:

- "Transforming the Medicare benefit into a fully competitive market-based model--known as premium support."
- Beginning in 2024, Medicare beneficiaries would be given a choice of private plans competing with the traditional Fee-For-Service (FFS) Medicare program. "Medicare would provide a premium support payment either to pay or offset the premium of the plan chosen by the beneficiary, depending on the plan's cost. Additionally, the program would adopt the competitive structure proven successful by Medicare Part D, the prescription drug benefit, to ensure affordability through market-based competition."
- "The premium support payment would be adjusted so that the sick would receive higher payments if their conditions worsened; lower-income seniors would receive additional assistance to help cover out-of-pocket costs; and wealthier seniors would assume responsibility for a greater share of their premiums."
- "Strengthen Medicare Advantage" plans (a private Medicare HMO) to offset the funding cut of \$150 million that was made when Obamacare passed in 2010.
- "Gradually increase the Medicare retirement age beginning in 2020 to correspond with that of Social Security."

## Issues and Concerns

- President-elect Trump promised not to cut Medicare. Is he renegeing on that promise?
- Medicare is more efficient than private insurance because there are not large sums spent on overhead, marketing, and profits. Since 2010, Medicare outlays per beneficiary have risen only 1.4% a year, less than the rate of inflation.
- Will the repeal of Obamacare bring a halt to the phase out of the “Donut Hole” that is scheduled to end by 2020? Will the free wellness and preventive services approved as a part of Obamacare end?
- Obamacare extended the solvency of Medicare by more than a decade to 2029. Will repeal shorten that timeline and create greater urgency to "reform" Medicare?
- Part D may not be the best model for affordability through market-based competition. Allowing Medicare to negotiate drug prices would be more effective.
- Basing premiums on sickness and income could erode the wide spread public support for Medicare by making it a “welfare program.”
- Medicare Advantage plans already enroll 32% of Medicare beneficiaries and that is scheduled to increase to 44% by 2016 according to the Congressional Budget Office. This, in spite of the \$150 million cut made to the program because these plans have proven to be more costly than traditional Medicare. More investment in Medicare Advantage plans is not needed.
- It is generally accepted that premium supports will not keep pace with health care inflation so that out-of-pocket costs for beneficiaries will increase every year. For example, the Center on Budget and Policy Priorities projected that out-of-pocket costs would more than double by 2022 if Ryan’s 2011 premium support proposal was adopted.
- Increasing the age of eligibility would hurt those who are most vulnerable-the poor and the sick.

### **Action Needed**

Call or email your two U.S. Senators and your Congressperson. Messages might include: “Please Save Medicare,” “Hands off Medicare,” “Medicare is working for over 50 million people; leave it alone,” “Fine tune Medicare, don’t destroy it,” and “Medicare is one of the most cost-effective health care programs, don’t cut it.” For contact information for federal elected officials go to:

<http://www.gwaar.org/images/stories/Advocacy/Wisconsin-Members-of-Congress-114th.pdf>.

The **Wisconsin Aging Advocacy Network** is a collaborative group of individuals and associations working with and for Wisconsin’s older adults to shape public policy to improve their quality of life.

#### **Core member organizations:**

- Aging and Disability Professionals Association of Wisconsin (ADPAW)
- Alzheimer's Association SE Wisconsin Chapter
- Wisconsin Adult Day Services Association (WADSA)
- Wisconsin Association of Area Agencies on Aging (W4A)
- Wisconsin Association of Benefit Specialists (WABS)
- Wisconsin Association of Nutrition Directors (WAND)
- Wisconsin Association of Senior Centers (WASC)
- Wisconsin Institute for Healthy Aging (WIHA)

#### **Contact WAAN**

1414 MacArthur Rd., Suite A  
Madison, WI 53714  
(608) 243-5670  
<http://gwaar.org/waan>