

**LEVEL THE MEDICARE PLAYING FIELD TO
SAVE OUR MEDICARE FROM TOTAL PRIVATIZATION**

Submitted by Kraig Peck

WHEREAS, traditional Medicare was created in 1965 as a public good to provide a national health care system for seniors and the disabled in the United States and has proven to be our most efficient and effective public health care program with administrative costs accounting for only 2-3% of Medicare spending; and

WHEREAS, since the federal government has created various for-profit privatized health care programs within Medicare including Medicare Part D (prescription drugs), MediGap (supplemental plans to cover Medicare's 20% copays), and Medicare Advantage which is permitted to take up to 15% of every Medicare dollar for administration and profits for managing Medicare claims; and

WHEREAS, the Trump administration doubled down on privatizing Medicare through the Direct Contracting Pilot, rebranded under the Biden Administration as ACO-REACH, which allows private equity firms and Wall Street companies to take up to 25% or more of every Medicare dollar for administration and profits for managing Medicare claims; and

WHEREAS, recent reports* by the HHS Inspector General, academic researchers, and investigative journalists have uncovered wide-ranging, fraudulent practices, confirming that upcoding, overpayments, delaying medically necessary care, and the denial of claims by insurers and other private businesses managing Medicare claims, together, account for defrauding the Medicare Trust Fund and Medicare beneficiaries by as much as \$75 to \$140 billion annually; and

WHEREAS, insurers and Wall Street are fiercely lobbying to gain a larger share of the soon-to-be \$1.6 trillion of annual Medicare spending by further privatizing Medicare turning it into a profit center, thus hastening the depletion of the Medicare Trust Fund at a time when Medicare beneficiaries are among the most vulnerable populations served in health care, and need more, not fewer benefits; therefore, be it

RESOLVED that the 45th Legislative District Democrats states its opposition to Medicare privatization and urges our federal legislators and the Biden Administration to LEVEL THE PLAYING FIELD between Traditional Medicare and Medicare Advantage so that Medicare beneficiaries will not suffer additional costs by choosing Traditional Medicare and will have a genuine choice between the public and private program as a step towards increasing healthcare equity by:

(1) eliminating the Traditional Medicare 20% co-pays and setting an out-of-pocket cap on medical expenses,

(2) adding benefits to traditional Medicare permitted in private Medicare Advantage plans (adding vision, dental and hearing,)

(3) Eliminating the ability of Medicare Supplement insurers to deny coverage for pre-existing conditions when people switch from Medicare Advantage back to Traditional Medicare, and sign up for a Medicare Supplement plan,

(4) eliminating the excessive administrative costs and profits in the Medicare Advantage and ACO-REACH programs, and

(5) recouping funds for the Medicare Trust Fund from the Medicare Advantage overpayments, fraud, and abuse that have been documented in academic studies, Congressional reports, and investigations by the Department of Health & Human Services* - and use the money thus saved to support a robust Traditional Medicare system that will lower costs and improve benefits, access, and equity in Traditional Medicare for all seniors and disabled beneficiaries; and be it

FINALLY RESOLVED, that the 45th District Democrats will send a copy of this Resolution to Senator Cantwell, Senator Murray, Representative DelBene, Representative Schrier, President Biden, and Secretary of Health and Human Services Xavier Becerra.

* References:

Our Payments Their Profits – Quantifying Overpayments in the Medicare Advantage Program, Physicians for a National Health Program (PNHP), October 4, 2023. (Overpayments estimated at \$88 – 140 billion annually)
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<https://jayapal.house.gov/wp-content/uploads/2023/02/230216-MA-Letter-Final-with-Signatures3.pdf>

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