

Suggested talking points for Medicare's 51st anniversary letters, op-eds

(Select whatever points are helpful to your argument, if needed.)

Medicare, one of our nation's most valuable and popular social programs, turns 51 on July 30.

Medicare is a federal health insurance program enacted and signed into law in 1965 by President Lyndon B. Johnson. A handy fact sheet on Medicare is available from the Kaiser Family Foundation [here](#); a much lengthier KFF report on the program (March 2015) is available [here](#).

The program currently covers 55 million Americans – people age 65 and older and younger people with permanent disabilities. That's about 17 percent of the population.

It was originally conceived as a first step toward covering everyone in U.S. society under a national health insurance program.

Medicare has sharply reduced poverty among seniors and significantly improved the financial security of their families. It has reduced health disparities related to race, ethnicity, and socioeconomic status.

Patients in traditional Medicare can go to the doctor, hospital of their choice.

Traditional Medicare only spends about 2 percent (1.4 percent, according to the 2016 Medicare trustees' report) on administration/overhead – i.e. it's very frugal vs. private insurance, whose overhead and profits amount to closer to 12 percent to 14 percent or more (individual market overhead typically amounts to 20 percent to 30 percent).

Medicare has a slower rate of health cost growth than private insurance. It's relatively effective and economical vis-a-vis private insurance. It pays providers quickly and with fewer hassles than private insurers.

Medicare (and Medicaid) are the victims of skyrocketing health costs, not the cause. In the short term, the financial integrity of Medicare could be improved by such things as (1) an upturn in the general economy, which in the past has generated greater tax receipts for the program, (2) supplementary federal appropriations from general tax revenues, or (3) a congressional tweaking of the payroll tax by a tiny fraction of a percentage point to sustain the program for even longer (the last across-the-board adjustment was in 1985, when the rate was increased to 1.45 percent from 1.30 percent).

Cutting Medicare and Medicaid would be a mistake because it would increase poverty, worsen health outcomes and increase costs.

Medicare Advantage (MA) plans ("Medicare Part C") have served as the cutting edge for Medicare's privatization. The MA plans, which are operated by private insurers and cost

the Medicare program about 14 percent more, per capita, than traditional Medicare, “receive payments from Medicare to provide all Medicare-covered benefits, including hospital and physician services, and in most cases, prescription drug benefits. In 2015, nearly 17 million beneficiaries were enrolled in Medicare Advantage plans, 31 percent of all Medicare beneficiaries. (kff.org).

Dr. Ida Hellander, director of health policy and programs at PNHP, says that in 2012 privately run Medicare Advantage plans were overpaid \$34.1 billion, or \$2,526 per enrollee, by the government. She and Drs. David Himmelstein and Steffie Woolhandler were among the authors of a [study](#) showing that having private Medicare Advantage plans compete with traditional Medicare does not save money, but costs taxpayers billions of dollars more each year.

Do’s and Don’ts in the short term

Don’t privatize (e.g. using vouchers, aka “premium support payment”) -- this would result in reduced care; the value of vouchers would trail rises in costs; and such a change would cause health costs to rise even faster.

Don’t increase the eligibility age – this would hurt millions and drive up costs, increase emergency room visits, etc.

Don’t increase cost-sharing, i.e. higher premiums, deductibles, co-pays -- out-of-pocket expenses already too high, deterring patients from seeking care.

Do allow Medicare to negotiate drug prices.

Do stop paying private Medicare plans more than traditional Medicare – i.e. end the Medicare Advantage plans.

Do include a drug benefit in traditional Medicare (vs. the private Medicare Part D plans).

Do eliminate high deductibles and co-pays.

To reap the maximum benefits and savings, strengthen it by improving it and expanding it to all. See this fact sheet: “The case for an improved Medicare for all.”

Cover everyone and save money - Enact an improved Medicare for all

The solution to our health care crisis and the economic suffering it contributes to is to establish a publicly financed, mainly privately delivered national improved Medicare for all, i.e. a single-payer system.

Private insurance companies have clearly failed us. To increase their bottom line, they strive to enroll the healthy, screen out the sick and deny care. They afflict our health system with a mountain of unnecessary paperwork -- about 31 cents of each health care dollar goes to administration, most of it waste. Meanwhile they pay their CEOs multimillion-dollar salaries and squander money on advertising, etc.

The Affordable Care Act unfortunately builds on the faulty foundation of private insurance companies.

A national, improved Medicare for all system would have numerous benefits:

- Assure truly universal, comprehensive coverage, with no co-pays or deductibles.
- Improved the health, and therefore the well-being and productivity, of our workforce.
- Freedom of patients to choose their doctors and hospital (i.e. people would no longer be in restrictive, insurance-dictated networks).
- Savings of approximately \$500 billion annually from eliminating the unnecessary administrative waste associated with the private insurance industry.
- The ability to negotiate for drug prices and other medical supplies and services, bringing prices in line with those of other industrialized nations.
- Reap other savings by using global budgets for health facilities, and separate allocation of capital expenditures.
- Stimulate the economy because families would have more money for discretionary spending.
- Eliminate bankruptcy and foreclosure due to medical debt.
- Eliminate the spend-down required for those who need long-term care funded by Medicaid.
- Allow doctors to practice medicine without the huge administrative burdens they presently have.
- Allow older workers to retire with health coverage, increasing job opportunities for younger workers.

A pipe dream? No. There is legislation in Congress, the Expanded and Improved Medicare for All Act, [H.R. 676](#), which would put such a single-payer system in place. The bill was introduced by Rep. John Conyers Jr. of Michigan and currently has 62 co-sponsors in the House. Other nations have enacted systems like this with great success.

Passing an improved Medicare for all will save lives and money, and put our nation on the path of becoming one of the best health systems in the world.

A [May 2016 Gallup poll](#) finds that 58 percent of Americans favor replacing the ACA with a “federally funded healthcare program providing insurance for all Americans,” including 73 percent of Democrats and 41 percent of Republicans.

We have the talent, we have the resources: let's put them to work!