

Medicare



HLC OUTLOOK: Medicare



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ISSUE

Central to HLC's vision for 21st century health care is a Medicare program that embodies competition, choice, and innovation. In 2003, Congress passed the Medicare Modernization Act (MMA) which, among other provisions, created the program's first prescription drug benefit largely based on these tenets. The Part D prescription drug benefit became effective in 2006. It has 90 percent participation with an 89 percent satisfaction rate and is currently spending less than projected. Meanwhile, the Centers for Medicare and Medicaid Services (CMS) continues to press forward with changes to the overall Medicare program as costs of the program have increased. Costs are projected to rise 7 percent over the next 10 years, leaving lawmakers and CMS to determine how to fund this ever-growing program while keeping in mind notions like value, efficiency, and price controls.

HLC POSITION

Successful implementation of the MMA is critical to future Medicare innovation, focused on increased consumer choice and market competition. HLC played an important role in advocating passage of the MMA and in the implementation phase through its Medicare Today partnership. This involved the extraordinary logistical effort of educating and enrolling millions of Medicare beneficiaries. The case must be made that **taxpayers and beneficiaries are well served by the greater value that comes as a result of competition and choice. To maintain a strong Medicare program, HLC also believes the program must include adequate payments for participating plans and providers.**

HLC ACTION

- Continued to advise and support CMS in prevention benefits and Part D prescription drug benefit outreach. HLC continues to participate in CMS' National Partnership Field Strategy group to assist with operational issues with the Medicare Part D prescription drug benefit and other Medicare issues.
- Continues to lead a Medicare Diabetes Screening Benefit awareness campaign in New Hampshire in collaboration with the Medicare Diabetes Screening Project to develop a template to increase utilization of the screening benefit. Currently HLC is working with partners to host a telethon to increase awareness and use of the screening benefit.
- Advocated for adequate provider reimbursement in all in-district and Hill meetings.
- Continues to participate in the Provider Partnership Program of the CMS Medicare Learning Network to help keep CMS linked to the needs of the provider community.

TALKING POINTS

- Medicare should keep up with plans available to millions of working Americans under age 65 and members of Congress by reducing excessive complexity and rigid bureaucracy and by offering better coordination of care, health promotion and chronic care management, and access to new health care innovations.
- Congress must ensure the long term integrity and solvency of the Medicare program for future generations of beneficiaries. Medicare's fiscal solvency faces challenges presented by the retirement of the Baby Boomer generation, which will more than double the numbers of Medicare beneficiaries by 2035. Competition among health care plans and providers will help the program remain financially sustainable. Continued consideration of cost-containment measures may be necessary to ensure the long-term viability of the Medicare program. These measures should be evidence-based and pay for value.
- Medicare should ensure adequate reimbursements for all providers. Inadequate provider and medical technology reimbursement levels have, in the past, undermined patient care and progress toward a modernized program. Congress and the Administration must ensure adequate provider and health plan payments and must also avoid excessive regulation.
- Medicare should ensure the availability of health care coverage choices through continued competition. Medicare beneficiaries now have more health care coverage options through Medicare Advantage. Competition among health plans for beneficiaries improves the quality of care provided.
- CMS estimates that seniors are saving an average of \$1,100 per year through the Medicare prescription drug benefit, with the vast majority of beneficiaries choosing plans that vary from the standard benefit design. These savings for seniors are immediate and are directed toward those who need it the most.
- Due to the competition of private plans in Medicare, the prescription drug program will cost far less than predicted: just \$30 billion in 2006 and \$729 billion over 10 years, compared with earlier estimates of \$43 billion for 2006 and \$926 billion through 2015.
- Congressional efforts to change the Medicare program should be very carefully considered. Before making changes, Congress should consider how changes will affect the overall integrity of the Part D benefit and Medicare as a whole.

As of August 8, 2008