

An Appeal to Congress and the President: Save Medicare Alliance to Restore Medicare

Medicare, the federal social insurance program guaranteeing health care to people over 65 and people with serious disabilities, has been treasured for decades by most Americans. But the Modernization Act of 2003 (MMA) is now undermining it. A multi-pronged assault on Medicare is under way.

We call on the Congress and President Obama to undo the damaging provisions of the Medicare Modernization Act. This appeal lists six vital steps for preserving Medicare as the successful program that brought health care to older and disabled people and for safeguarding its political viability as an essential element of the foundation for universal coverage.

To ensure that Medicare will continue to provide health care access to older Americans and people with disabilities, the Alliance to Restore Medicare asks Congress and the President to commit to:

- 1. Creating a prescription drug benefit entirely within the original Medicare program,** without relying on private insurance. That will allow people to stay in traditional Medicare and get all their benefits there, including prescription coverage. **To control costs, require Medicare to negotiate the prices it pays for drugs.**
- 2. Ending the overpayments to private "Medicare Advantage" plans.** These billions of dollars in subsidies come at the expense of all Medicare beneficiaries and taxpayers. Together with inflated prescription drug prices, they threaten to drain Medicare's trust funds.
- 3. Eliminating the "premium support" voucher experiment that is due to start in 2010.** The Medicare Comparative Cost Adjustment demonstration will force beneficiaries in at least six U.S. metropolitan areas to use a voucher to shop among coverage options, in a market where subsidized private plans compete with traditional Medicare on price. Premiums will inevitably rise for those who opt to remain in traditional Medicare while healthier people move into cheaper private plans.
- 4. Ending the new higher-income premiums now being phased in for Part B** (which covers outpatient, physician and lab services). The higher premiums can be triple the regular premium. General federal tax revenues pay three-fourths of the cost of Part B. Beneficiaries have already paid graduated income taxes throughout their working lives. Higher premiums for some will erode universal support for Medicare.
- 5. Repealing the MMA's arbitrary 45% cap** on the share of Medicare costs the government is allowed to pay using general revenues. Meanwhile, **reject legislation designed to implement the cap.** The cap won't control costs – just shift them to beneficiaries and providers. It was intended as just another means to whittle away at Medicare.
- 6. Launching a Congressional study of Medicare's long-term finances.** Explore the drivers of rising costs in the health care system as a whole, including imbalances in market power, overpricing of goods and services, obstacles to effective coordination of care, delivery of inappropriate care, payment incentives that lead providers to over-treat, and waste inherent in reliance on private insurance programs, such as Medicare Advantage and the Part D drug plans. Propose ways to control costs and, if necessary, to adjust Medicare's financing fairly and equitably so that its financial integrity is ensured and beneficiaries get the health care they need without undue financial stress.

The Alliance to Restore Medicare welcomes other organizations to join us in this effort. Visit www.alliancetorestoremedicare.org/join_form.htm to sign up for the campaign.

Participants in the Alliance to Restore Medicare

National Organizations

American Medical Women's Association
American Public Health Association
Campaign for America's Future
Center for Medicare Advocacy
Center for Policy Analysis
Islamic Society of North America
Medicare Rights Center
National Coalition of Mental Health Professionals and Consumers
National Committee to Preserve Social Security and Medicare
National Senior Citizens Law Center
Physicians for a National Health Program (PNHP)
Universal Health Care Action Network (UHCAN)
Women's Universal Health Initiative

State Organizations

California Alliance for Retired Americans
Colorado COPD Connection
Connecticut Call to Action
Minnesota Senior Federation

Local and Metropolitan Area Organizations

Ashtabula AFL-CIO Retiree Council (Ohio)
Metro New York Health Care for All Campaign
New York Citizens' Committee on Aging
Rekindling Reform (NY)
San Francisco Gray Panthers
Seven County Senior Federation (Minnesota)
Suffolk County (NY) Psychological Association

The ARM Steering Committee

Rachel Rosen Degolia
(Universal Health Care Action Network)

Maria Freese
(National Committee to Preserve Social Security and Medicare)

Paul Precht
(Medicare Rights Center)

Sidney J. Socolar
(Rekindling Reform)

Judith A. Stein
(Center for Medicare Advocacy)