

## Resolution 15

### PROTECTING AND EXPANDING MEDICARE BENEFITS

FOR MORE THAN 45 YEARS, Medicare has delivered stable, reliable health care to seniors and people with disabilities and has done so in a more cost-effective manner than private health plans. We reaffirm our support for Medicare and our ironclad opposition to any and all proposals to cut Medicare benefits or shift costs to beneficiaries.

Today, Medicare is under relentless attack by a do-nothing Republican Congress bent on reducing its benefits and sacrificing the health and well-being of seniors and people with disabilities on the altar of deficit reduction. While they may say otherwise, Republicans want to cut Medicare benefits and shift costs to patients, to pay for tax breaks for Wall Street and the richest 2% of Americans.

We must continue to defend Medicare from these unwarranted attacks and proposals to replace its guaranteed benefits with premium support or voucher payments that would effectively end Medicare as we know it and hand it over to private insurance companies.

We will continue to oppose efforts to shift costs to Medicare beneficiaries in other ways—such as increasing premiums, raising co-payments, taxing supplemental coverage or raising the Medicare eligibility age. Proposals of this kind only impose burdensome new expenses on households of modest means.

Workers and retirees are faced with a flood of proposals to address rising health costs by shifting those costs directly onto individuals. Proponents of these plans argue that if individuals have more “skin in the game” through higher out-of-pocket spending, patients will use less unnecessary care and bring down health cost growth. Medicare beneficiaries

already have plenty of “skin in the game” as they spend 15% of their income on health care, on average, and more than \$38,000 out of pocket during their last five years of life. Premiums and cost-sharing for Medicare already account for one-fourth of the average Social Security benefit and eventually will eat up more than one-third of those modest benefits if cost growth in the health care system is not brought under control.

Instead of cuts and cost shifting, we call for improvements to Medicare. Doing so is an essential prerequisite to establishing it as a model for a universal, single-payer system. Its benefits have long been less comprehensive than typical employer-sponsored insurance, leaving beneficiaries vulnerable to large, uncapped, out-of-pocket costs. Any such improvements must not be designed to cut benefits or shift costs to beneficiaries. Medicare beneficiaries have modest incomes and high health care needs. Asking this group—half of whom have annual incomes below \$22,000, less than 200% of the federal poverty level—to pay more is simply unconscionable.

We also need to ensure that seniors and people with disabilities have access to affordable long-term services and support in the most appropriate setting. In addition, the workers who provide this care deserve to be covered by the same labor and health and safety protections afforded any other profession.

According to official projections, the United States is facing severe health care cost growth throughout our public and private health care system that is unsustainable for families and businesses. The right way to contain health care cost growth is to deliver care in more cost-effective ways and to treat this challenge as an economy-wide problem, not just a Medicare problem, a shortcoming of Medicaid or

a flaw in employment-based or individual plans. Medicare and Medicaid have been and continue to be more cost effective than private insurance.

Instead of cuts to benefits and services, just closing the loophole that prohibits Medicare from negotiating lower drug prices with drug companies or applying the Medicaid rebate to drugs for low-income Medicare beneficiaries could save hundreds of billions of dollars. Creating a robust public option that offers premiums 5% to 7% lower than private

health insurance and partners with Medicare to implement cost-saving reforms, and expanding Medicare competitive bidding to all health products and all other health programs, could add much more in savings.

Instead of looking for ways to destroy Medicare, which has been a leader in improving our dysfunctional health care system, we must build on its experience as a single-payer program, demonstrating that single payer is the most cost-effective and equitable way to provide quality health care.