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Retirement Club
AFT Washington*

*AFT Washington Retirees Chapter, AFL-
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*American Federation of Government
Employees Local 3937*

APALA, Seattle Chapter

*Coalition of Labor Union Women, Puget
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*Economic Opportunity Institute
Health Care for All-WA*

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*National Organization for Women,
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*Office and Professional Employees
International Union Local 8*

*Older Women's League Seattle/King
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*Pacific Coast Pensioners Association -
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*Physicians for a National Health
Program, Western Washington chapter*

*Pride At Work, Martin Luther King
County Chapter*

*Puget Sound Advocates for
Retirement Action*

Puget Sound Sage

*Retired Public Employees Council of
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Seattle Community Law Center

SEIU Healthcare 775NW

SEIU Healthcare 1199NW

SEIU Local 6

SEIU Local 925

SEIU Washington State Council

*Tacoma Advocates for Retirement Action
(Pierce County)*

UAW Local 4121

UFCW Local 21

Unite HERE Local 8, AFL-CIO

*Washington Alliance for Retired
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Washington Community Action Network

Washington State Jobs with Justice

Washington State Labor

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Washington State Senior Citizens' Lobby

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Open Letter to Washington Congressional Delegation

October 22, 2019

Dear Representatives & Senators:

On October 3rd, 2019, President Trump issued an Executive Order (EO) entitled "Protecting and Improving Medicare for Our Nation's Seniors."

Rather than "Protecting and Improving Medicare..." the EO threatens to do incalculable harm to present and future Medicare beneficiaries. Congress should take steps to equalize the two Medicare programs to assure that there is an end to discrimination against the Medicare recipients who choose the traditional Medicare program.

According to the Center for Medicare Advocacy, the EO "exacerbates an existing imbalance between traditional Medicare and the Medicare Advantage (MA) program, and demonstrates the Administration's ongoing efforts to maximize enrollment and the scope of coverage in MA plans." The Center for Medicare Services (CMS) has demonstrated a preference for MA plans. By authorizing private MA plans to provide services unavailable to the majority of Medicare beneficiaries who are part of traditional public Medicare, CMS is creating significant incentives for beneficiaries to select MA over the traditional public Medicare plan.

The October 3, 2019, EO mandates that CMS should further expand and enhance the services private MA plans may offer – benefits unavailable to approximately 70% of Medicare beneficiaries who are in public traditional Medicare. This EO is another significant step in efforts to privatize Medicare, turning it over to private insurance corporations. This goal is achieved by allowing the private plans to offer and advertise these additional benefits.

At the present time, private MA plans provide benefits that traditional Medicare cannot provide such as hearing, dental, and vision benefits, gym membership and transportation to and from appointments. Medicare beneficiaries are inundated with advertisements promoting private, and in most cases, for-profit MA plans that feature these additional benefits. The existing bias in favor of private MA plans discriminates against the majority of Medicare beneficiaries who choose coverage through traditional Medicare.

The Affordable Care Act, in response to MA plans being more costly to the Medicare system as a result of higher reimbursement rates, attempted to rein in excessive payments to MA plans. Unfortunately, these efforts have not

stopped MA plans from costing the Medicare system more than traditional Medicare spends per individual.

A 2018 article in the Journal of the American Medical Association (JAMA) stated that some studies comparing MA plans to traditional Medicare “suggest that Medicare Advantage does not serve certain beneficiaries well, such as those with the greater illness severity.” The article concluded, “Despite the important and increasing role of Medicare Advantage plans, there is fairly little insight into the relative value Medicare Advantage provides to beneficiaries or the funder, the US taxpayer.”

We urge you to advance legislation requiring services and coverage be provided equally for all Medicare beneficiaries. Both payments and coverage need to be equalized. If that fails to happen, the Medicare traditional public plan is in jeopardy of dying on the vine, as the oldest, sickest and most expensive among us will end up constituting the majority of beneficiaries in the public program, which will financially sabotage the traditional plan. Medicare recipients will have no choice but to enter the private market and the goal of privatizing Medicare will have been achieved.

Thank you for your consideration of this critical issue,

Robby Stern, Chair, Social Security Works Washington

p.s. A more detailed analysis of the Executive Order of Oct. 3 can be found at the Center for Budget and Policy Priorities website.