

IDEAS FOR REFORMING THE MEDICARE BENEFIT DESIGN: A HISTORICAL YEAR REVIEW OF BIPARTISAN SUPPORT

“Regardless of the magnitude of changes enacted, creating a unified structure would be consistent with aligning Medicare with changes in health insurance that have occurred since the program’s creation. Indeed, **a unified structure may be necessary to offer Medicare more flexibility to provide access to affordable, high quality care** in a continually changing health care environment.

- AARP Policy Institute. *“The Effects of Merging Part A and Part B of Medicare.”* C.F. Caplan, D.J. Gross. 1999

“Under the plan, the traditional Part A and Part B fee-for-service deductibles would be combined...**this will lower the hospital deductibles.**”

- National Bipartisan Commission on the Future of Medicare. *“Talking Points: Breaux-Thomas Proposal.”* 1999

“**Currently, Medicare beneficiaries must navigate a hodge-podge of premiums, deductibles, and copays** that offer neither spending predictability nor protection from catastrophic financial risk. ... The ability of Medicare cost-sharing to control costs – either under current law or as proposed above – is limited by the purchase of **supplemental private insurance plans (Medigap plans) that piggyback on Medicare.**”

- The National Commission on Fiscal Responsibility & Reform. *“The Moment of Truth.”* December 2010.

“Congress should begin a two-stage structural reform of Medicare to transform the program into a robust system of consumer choice and competition...**Medicare’s fee-for-service (FFS) financing is cumbersome, counterproductive, and wasteful.** It generates patient access problems and dissatisfaction among doctors, and it rewards volume rather than quality. Even with price controls, Medicare spending accelerates, thus fuelling larger deficits. Congress can make real progress with specific policy changes...[by] Protect[ing] Medicare patients from the costs of catastrophic illness; and Cut[ing] taxpayer subsidies for the wealthiest beneficiaries.”

- The Heritage Foundation. "The First State of Medicare Reform: Fixing the Current Program." 2011

"Looking to the future, **Medicare faces a number of challenges, including: An outdated benefit design, with relatively high deductibles and cost-sharing requirements**, no limit on out-of-pocket spending, and benefit gaps, that encourages beneficiaries to seek supplemental insurance and contributes to relatively high out-of-pocket spending."

- Kaiser Family Foundation (Author panel includes experts from the American Enterprise Institute, the Commonwealth Fund, the Obama Administration, Brookings, and the Urban Institute). "Policy Options to Sustain Medicare For The Future." January 2013.

"Medicare Parts B and D, certain beneficiaries pay higher premiums based on their higher levels of income. Beginning in 2017, **this proposal would restructure income-related premiums under Medicare Parts B and D** by increasing the lowest income-related premium five percentage points, from 35 percent to 40 percent, and also increasing other income brackets until capping the highest tier at 90 percent."

"Introduce Part B Premium Surcharge for New Beneficiaries Purchasing Near First-Dollar Medigap: This proposal **would introduce a Part B premium surcharge for new beneficiaries who purchase Medigap policies with particularly low cost-sharing requirements**, effective in 2017."

- U.S. Department of Health & Human Services. "Fiscal Year 2014 Budget in Briefing." 2013