

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HEALTH

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Chairman Brady Announces Hearing on Examining Traditional Medicare's Benefit Design

House Ways and Means Health Subcommittee Chairman Kevin Brady (R-TX) today announced that the Subcommittee on Health will hold a hearing to review the current benefit design of the Medicare Fee-For-Service program and consider ideas to update and improve the benefit structure to better meet the needs of current and future beneficiaries. **The hearing will take place on Tuesday, February 26, 2013 in 1100 Longworth House Office Building, beginning at 10:30 A.M.**

In view of the limited time available to hear from witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of witnesses will follow.

BACKGROUND:

Created in 1965, the Medicare benefit was originally modeled on the Blue Cross Blue Shield plans that were prevalent throughout the nation at that time. However, the last half-century has seen significant changes in how health care benefits are designed and delivered. Yet Medicare retains the original bifurcated system of hospital and physician services, and has an array of confusing deductibles and coinsurance levels that neither creates incentives for beneficiaries to make better decisions about their health care needs nor protects beneficiaries from unexpected health costs. Not surprisingly, many beneficiaries purchase additional coverage to bring more certainty and clarity to their out-of-pocket costs.

To address these and other concerns, the Medicare Payment Advisory Commission (MedPAC) made recommendations in its June 2012 Report to Congress to redesign the traditional Medicare benefit package. In this report, MedPAC suggested improving and updating Medicare's current cost sharing structure, by maintaining on aggregate the same level of cost sharing as the traditional benefit, but redistributing cost sharing through the use of tiered copayment, coinsurance and a new combined deductible for Medicare Parts

A and B. MedPAC also recommended providing an out-of-pocket maximum for beneficiaries in traditional Medicare, protection that is currently required of Medicare Advantage plans or obtained by beneficiaries through the purchase of supplemental insurance. A number of other bipartisan commissions have recommended similar changes to traditional Medicare's benefit design.

In announcing the hearing, Chairman Brady stated, **“There is bipartisan recognition that the current structure of the Medicare benefit is outdated, confusing, and in need of reform, and taking steps to improve the current array of confusing deductibles, copayments and coinsurance is long overdue. This hearing will enable the Subcommittee to investigate the limitations, inefficiencies and inadequacies of traditional Medicare’s cost sharing structure and identify ways to bring the Medicare program into the 21st Century.”**

FOCUS OF THE HEARING:

The hearing will review the current Medicare benefit design and examine ways to improve it.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, March 12, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.