



Leadership Council of Aging Organizations

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Comprehensive Roadmap for Medicare Released

Coalition Looks to Future of Medicare as Program Celebrates its 43rd Anniversary

Washington, DC – On the 43rd anniversary of Medicare, the Leadership Council of Aging Organizations (LCAO), representing 56 national senior membership organizations committed to the well-being of America's seniors, is pleased to announce its recommended guiding principles for the future of Medicare.

The principles are designed to guide the conversation as Congress pursues the national goal of restoring the promise of Medicare. With the program being increasingly privatized, there is a disturbing trend of seniors in 2008 paying more and getting less, while big drug and insurance companies are making record profits.

Key guidelines in the principles address defined benefits, coverage, affordability, program administration, quality assurance, and financing and sustainability. At the top of LCAO's agenda is guaranteeing dependable, affordable, quality benefits for all older and disabled Americans, regardless of income or health status.

“Thank you to Congress for recently passing H.R. 6331, the ‘Medicare Improvements for Patients and Providers Act of 2008,’” said Edward F. Coyle, LCAO Chair and Executive Director of the Alliance for Retired Americans. “That legislation has provided us with a springboard to look at what more we can do to keep Medicare strong, to make Medicare all that it has the potential to be.”

On the 43rd anniversary of Medicare, it is important to emphasize how the program has afforded millions of older Americans the opportunity to remain healthy. It has enabled millions more disabled Americans to lead independent lives that would not have been possible otherwise. In order to keep this intergenerational social compact that Medicare be as strong as possible for years to come, LCAO recommends the principles described below.

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Medicare Principles

Medicare should continue to enforce financially sound provision of uniform, dependable, affordable, quality health care to older and disabled Americans. People of all ages include Medicare in their retirement planning. Strengthening Medicare is wise public policy. The Leadership Council of Aging Organizations (LCAO), and the millions of Americans whom we represent, encourage consideration of the following essential elements of strengthening and protecting Medicare.

Defined Benefits

- Medicare should maintain its defined benefit structure, guaranteeing dependable, affordable, quality benefits for all older and disabled Americans regardless of income, health status, or delivery system.
- Medicare beneficiaries should be able to receive prescription drug coverage directly from traditional Medicare, just as they do other benefits.
- Medicare Savings Accounts and the 2010 Medicare Comparative Cost Adjustment Demonstration Project should be repealed.
- Medicare should not reduce access by raising the eligibility age or means-testing eligibility.

Coverage

- Medicare's benefit package should provide access to the most current and effective medical treatments and technologies. The Secretary of HHS should have authority to add coverage for new benefits as necessary.
- Medicare should cover geriatric assessment and care management.
- Medicare's prescription drug benefit should provide comprehensive coverage, including the most current, effective, and individually appropriate drug therapies.
- Medicare beneficiaries should be able to change their prescription drug plan at any time.
- Medicare's prescription drug benefit must keep pace with the increase in costs.
- The Part D coverage gap or "donut hole" should be eliminated.
- If Low Income Subsidy (LIS) recipients choose zero-premium plans as their best option, the plans must provide quality, comprehensive benefits. LIS recipients should not be required to choose non-zero-premium plans to obtain adequate drug coverage.
- Medicare Part C and D plans should be prohibited from making mid-year formulary changes.
- The coinsurance rate for outpatient mental health services should be no more than 20 percent.
- Medicare Advantage package design should not discriminate in favor of healthier, lower-cost beneficiaries.
- Medicare private fee-for-service plans should have the same reporting requirements and network coverage as other Medicare Advantage plans.
- Medicare should eliminate the current two-year waiting period for those receiving Social Security Disability Insurance (SSDI).

Affordability

- Medicare should expand and align the Medicare Savings Programs (MSPs) and the LIS. The asset eligibility test should be eliminated; the income eligibility thresholds should be increased; and the MSPs should be wholly federally funded.
- The Qualified Individual (QI) program should be made permanent.
- All beneficiaries should be protected from burdensome out-of-pocket expenses.
- Cost sharing should be eliminated for all preventive benefits and services.
- The Secretary of HHS should be given authority to negotiate prescription drug prices.
- Beneficiaries who choose Medicare Advantage plans should not have higher cost sharing for high cost and other services and items than under traditional Medicare.
- The federal government should reduce the cost of prescription medicines by allowing the safe importation of FDA-approved drugs from selected countries.

Program Administration

- Medicare should be administered fairly, adequately, and efficiently. Appropriate funds must be provided for program administration, beneficiary education, and outreach, especially to low-income beneficiaries.
- Medicare providers must be transparent about their ownership and operations and accountable at all levels for the quality of care delivered.
- Medicare must attack waste, fraud, and abuse to ensure value for the program.

- Medicare beneficiaries, including beneficiaries who have limited English proficiency and who need access to alternate accessible formats, should have access to timely and accurate written and oral (telephone) information.
- Funding for State Health Insurance Assistance Programs (SHIPs) and the Aging Network, which offer unbiased assistance to Medicare beneficiaries, should be increased.

Quality Assurance

- All Medicare coverage options must meet rigorous standards for consumer protection and quality of care, including full and fair appeals.
- Medicare must prevent fraudulent marketing of Medicare Advantage and Part D plans.
- The National Association of Insurance Commissioners should develop standardized marketing requirements for Medicare Advantage and prescription drug plans. State insurance commissioners should have regulatory authority to ensure proper enforcement.
- Medicare should prevent the overuse, underuse, and misuse of health care services.
- Medicare should monitor and extend the scope of service and treatment options to address the needs of minorities and women. CMS should collect and publish health disparities data and take appropriate actions to eliminate such disparities.
- Medicare quality assurance systems should address the special needs of those with cognitive impairment to capture their experiences with the health care system.
- CMS should strictly monitor private Medicare health plans, and take strict enforcement action against plans that violate the law, regulations, or contracts.

Financing and Sustainability

- Medicare's fiscal challenges should be addressed as part of cost containment efforts throughout the health care system.
- The amount of general revenues available to fund Medicare should not be limited. Options for increasing revenues to support the program should be considered.
- The Medicare Payment Advisory Commission (MedPAC) recommendation to bring payments to private Medicare Advantage plans in line with traditional Medicare should be adopted.
- Care coordination for individuals with chronic illness, geographic variations in Medicare spending, the use of evidence-based health promotion and disease prevention, and other strategies should all be examined with a goal of increasing efficiencies, obtaining savings, and improving the care provided in the Medicare program.

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