

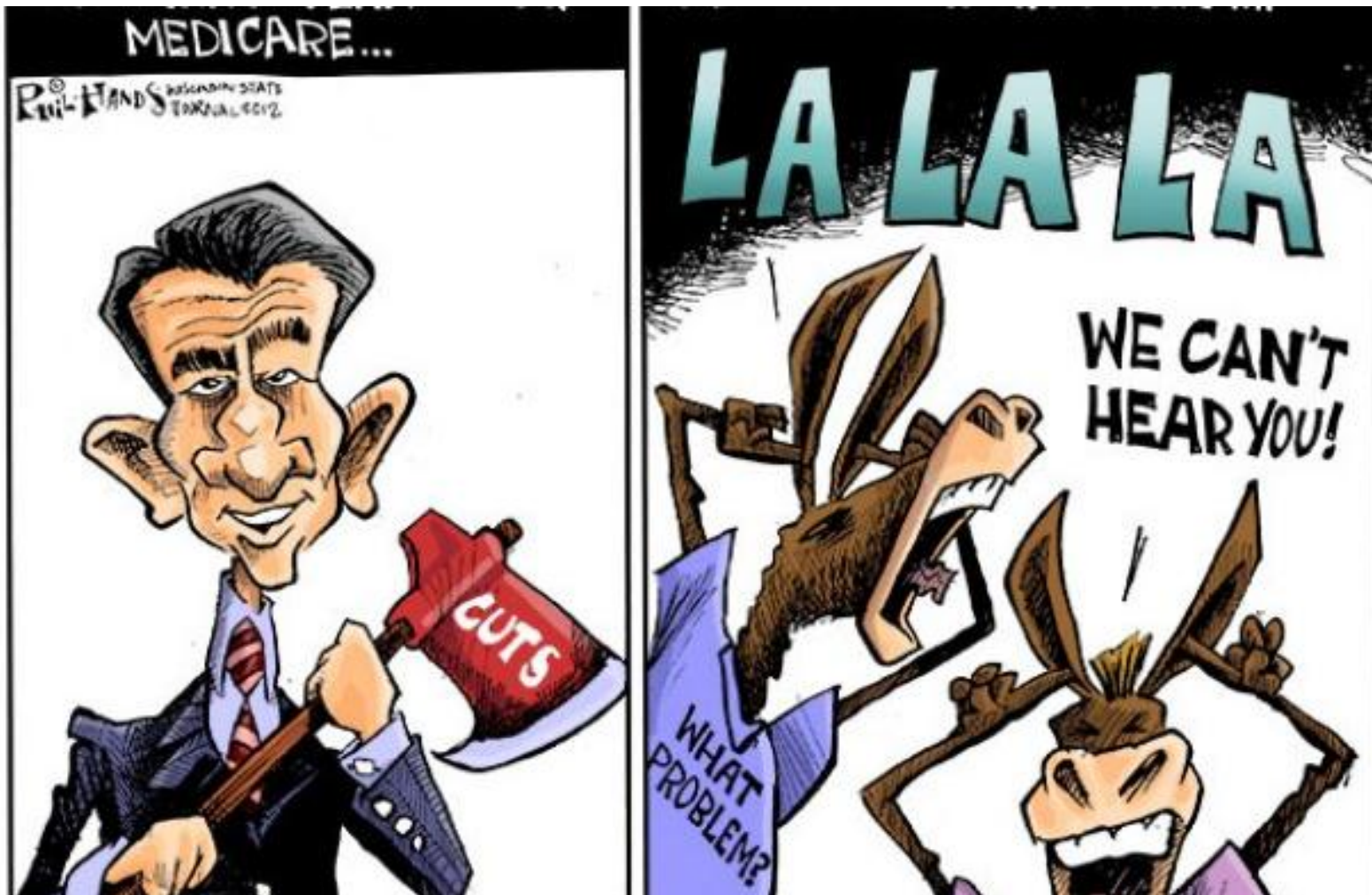
# Medicare

What is true? Keep it simple.

# Medicare, Two Choices.

- There are two choices on how to address the Medicare issue.
- First is to continue with the plan passed in March 2010 referred to as “Obamacare”.
- Second is to replace it with the plan passed in the U.S. House referred to as “House Plan” or “Paul Ryan Plan”.
- These are complicated proposals and sometimes it is better if the major points are simplified.
- This presentation simplifies the biggest aspects of the plans.

# What's the real story?



# What's the Problem?

- Right now the Medicare spending is about 1.6 Trillion.
- End of the Baby Boom Generation and the Next Generation will double this in 10 years.
- Government Tax Revenue for Medicare Spending can't double in 10 years.
- The U.S. House (aka Paul Ryan) Plan Changes Medicare for People 54 or YOUNGER.
- The U.S. House (aka Paul Ryan) Plan DOES NOT HAVE ANY CHANGES FOR PEOPLE 55 OR OLDER.
- So the changes to MEDICARE apply to End of Baby Boom Generation and Next Generation.
- This will apply when they become Eligible for Medicare. (54 and younger.)
- Obamacare is implemented NOW applicable to everyone.

# House aka Ryan Plan

- Applies only to People 54 or Younger.
- Provide a premium-support payment and a list of guaranteed coverage options – including a traditional fee-for-service option – from which recipients can choose a plan that best suits their needs.
- Program growth would be determined by a competitive-bidding process – with choice and competition forcing providers to reduce costs and improve quality for seniors.
- Premium support, competitive bidding, and more assistance for those with lower incomes or greater health care needs will ensure guaranteed affordability for all seniors.
- No Changes to Current SENIORS.

# House/Ryan Plan For those 54 and younger

- ***Premium support ensures affordable coverage:*** The plan would introduce a “premium support” system that would empower seniors to choose either a traditional Medicare plan or a Medicare-approved private plan.
- More help for those who need it: Low-income seniors who qualify for Medicaid would continue to have Medicaid pay for their out-of-pocket expenses, while other low-income seniors who do not qualify for Medicaid would receive fully funded savings accounts to help offset any increased out-of-pocket costs.
- Less help for those who don't: Wealthier seniors who need help least would see their assistance reduced.

# House/Ryan Plan For those 54 and younger

- ***Strong consumer protections to safeguard the Medicare guarantee:*** This reformed Medicare program would include some of the toughest consumer protections in American government:
- All health plans that participate in the Medicare Exchange would be required to offer benefits that are at least the actuarial equivalent of those provided by the traditional Medicare plan.
- Premium-support payments would be risk-adjusted to ensure that those with greater health needs are guaranteed affordable coverage.
- Participating plans cannot refuse coverage based on pre-existing conditions, nor can they charge discriminatory rates based on health status.

# House/Ryan Plan For those 54 and younger

- ***Transparency, Competition Work as Powerful Cost Controls:*** Program growth would be determined by the competitive bidding process – with transparency, choice and competition forcing providers to reduce costs and improve quality for seniors.
- Transparency: Seniors would receive clear and easy-to-understand information on what plan they are currently enrolled in, the projected cost of that plan, what other plans in their area will be offered, and what the federal premium-support contribution will be.
- Choice: Allowing seniors to choose the plan that works best for them would force providers to compete for the patient's business, thus curbing the unsustainable rise of health care costs that is threatening both Medicare and the affordability of health care for all.



# House/Ryan Plan For those 54 and younger

- ***Transparency, Competition Work as Powerful Cost Controls:***  
Competition: Allowing private plans to compete directly with a traditional Medicare plan would strengthen both by creating new incentives for plans to develop better delivery models and design better ways to care for patients with chronic illnesses.
- Cap on Growth Serves as a Backstop: However, exceeding the cap would not trigger across-the-board bureaucratic cuts or higher premiums. Instead, Congress would be forced to do its job: Determine why the costs exceeded the cap and fix the problem.

# If You are 54 or younger;

- Be aware of the changes and if you will be among the wealthier recipients – Plan Ahead.
- If these changes are not implemented on the future recipients there will be no Government Medicare.

# Obamacare – Changes what?

- Treatment - Comparative Effectiveness
  - UK – Uses this – Limit Treatment Options to Control Cost
    - UK Agency “NICE” Cost weighed in Patient Treatment Options
    - Cost of Treatment now a consideration if you should have it.
- More Bureaucracy, Less Freedom
  - Independent Payment Advisory Board
    - 15 Members appointed by President to enforce cost control
    - If spending exceeds government limit, IPAB recommendations automatically go into effect (they determine treatment).
- Medicare Hospital VALUE-BASED Purchasing
  - 2013 Hospital Payments Based on Federal Quality Measures
    - Efficiency standards Medicare spending per Patient.
    - Pay for Performance. (Avoid Very Sick Patients?)
    - 2012 Hospitals penalized for high readmission rates.

# Obamacare – Changes what?

- Payment to Doctors Influenced by Cost of Treatments and Results of Treatment.
  - Patients who do not follow Dr. advice reduce Payment to Dr.
  - Sick Patients negatively impact Dr. ratings.
  - Pay for performance encourages cherry picking patients.
  - Pay for performance reduces incentive to try new treatments.
  - Pay for performance limits patient options.

# Obamacare – Did you Know...?

- Increases IRS Budget 5-10 Billion – Collect Mandatory Tax and Penalty Payments.
- Penalty Payment owed by uninsured.
- Employers will pay Penalty if Employees receive subsidies via the Government insurance exchange.
- Excise Tax Owed on high-premium insurance policies.
- Income Tax Owed on insurance provided by employers.
- Increases States' cost for Medicaid/CHIP by 41 billion.

# Obamacare – Taking \$716 Out of Medicare, What?

- Includes \$418 Billion - Reduction in Provider Payments. Reducing amount paid to Doctors and Hospitals. Jeopardizing the Quality of Healthcare. (Many doctors not accepting Medicare any more.)
- Includes \$156 Billion – Reduction for Medicare Advantage. Allows seniors to use government funding to acquire private insurance plan.

# Obamacare – Who gets waivers?

- Over 500 Waivers granted by Dept. of Health and Human Services.
- Names of some:
- Teamsters Local Nos. 175 & 505
- Laborers National
- MO-Kan Teamsters
- Theatrical Stage Employees
- Midwest Teamsters
- Florida Laborers
- United Service Employees Union
- United Federation of Teachers

Why doesn't everyone have to participate?

# Medicare. A Decision to Make.

- House Bill (aka Ryan Plan)
  - Applies only to those 54 and Younger.
  - You choose the Program.
    - Competitive Insurance Bidding.
  - You choose your treatment.
  - No Change for Current Medicare Recipients.

- Obamacare.

Applies Now.

Government approved Insurance only.

Doctors and Hospitals paid according to Government approval.

Your Treatment may not be Approved.

Waivers for Special Interests.