Medicare

Providing Healthcare Coverage for More Than One Million Wisconsinites

WAAN's Position: Strengthen and improve Medicare to bolster the program's ability to handle increased demand and keep pace with the needs of our rapidly aging society.

What Is Medicare?

Medicare is a federal health insurance program for:

- People age 65 or older.
- People under age 65 with certain disabilities.
- People of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

Medicare provides healthcare for over 55 million adults (2015) aged 65 and older (83.7%) and people with disabilities (16.3%), including more than one million Wisconsin residents. Medicare includes several different programs with differing costs and benefits, called "parts." In short, these are:

Part A (Hospital Insurance): Covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.

Part B (Medical Insurance): Covers certain doctors' services, outpatient care, medical supplies, and preventive services.

Part C (Medicare Advantage Plans): Provides Part A and Part B benefits through health maintenance organizations, preferred provider organizations, etc. Most plans also offer prescription drug coverage.

Part D: Adds prescription drug coverage.

For a full explanation, see medicare.gov.

Why Is Medicare Important for Seniors?

Access to health insurance is vital to the financial security of older adults. Older adults use medical services at a higher rate than other populations and healthcare costs are consistently one of the primary reasons for personal bankruptcy filings in the U.S.[1] Many older adults live on a fixed income; Social Security accounts for more than 90% of total income for 22% of married and 47% of unmarried elderly Social Security beneficiaries.[2] Medicare ensures vulnerable seniors maintain financial security and

Core Member Organizations

- Aging and Disability Professionals Association of Wisconsin *(ADPAW)*
- Alzheimer's Association SE Wisconsin Chapter
- Wisconsin Adult Day Services Association *(WADSA)*
- Wisconsin Association of Area Agencies on Aging *(W4A)*
- Wisconsin Association of Benefit Specialists *(WABS)*
- Wisconsin Association of Nutrition Directors *(WAND)*
- Wisconsin Association of Senior Centers *(WASC)*
- Wisconsin Institute for Healthy Aging *(WIHA)*

The Wisconsin Aging Advocacy Network is a collaborative group of individuals and associations working with and for Wisconsin's older adults to shape public policy to improve their quality of life.

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stability because the program provides the foundation of affordable, comprehensive healthcare for seniors.

Why Strengthen and Improve Medicare?

In 2015 there were more new Medicare beneficiaries than ever before. About 10,000 more people are expected to enroll in Medicare every day as baby boomers continue to retire over the next 20 years.[3] In addition, modern medicine and advances in technology are helping many people live longer. As life expectancy increases however, older Americans face new challenges because increased life expectancy does not necessarily mean a healthy quality of life. As the population ages and requires more medical services, Medicare must be strengthened and improved to ensure the program meets changing needs.

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Strengthen and Improve Medicare by Implementing the Following Options:

1. Bolster preventive services to help defray Medicare costs and address chronic issues.

a. According to the Surgeon General, increasing the use of preventive services can save over $3.5 billion annually.[4]

b. Medicare beneficiaries with chronic conditions accounted for a higher share of Medicare spending.[5]

2. Oppose Medicare proposals that (1) cut benefits, (2) raise beneficiaries' share of premiums, (3) privatize Medicare, or (4) increase the age of Medicare eligibility.

a. A significant number of Medicare beneficiaries live on a fixed income and according to the National Council on Aging, Medicare beneficiaries have a median income of only $23,500. These beneficiaries already struggle to afford premiums and out-of-pocket costs. Fewer benefits and higher premiums mean that Medicare beneficiaries will be less likely to seek medical attention when the need arises.[6]

b. Privatizing Medicare could result in companies setting high prices (as evident by Medicare Part D). It could require beneficiaries to re-evaluate plans annually to find the most suitable plan because networks, plan options, providers, and costs could change annually in a private market.[7]

3. Keep the Part B premium and deductible low.

Older adults' financial security depends on affordable healthcare. Medicare beneficiaries pay an average of 15% of their income on health care, including out-of-pocket costs (premiums, co-pays, deductibles) and expenses associated with non-covered services—compared to 5% of income spent by those under age 65.[8] Out-of-pocket health care spending continues to rise faster than income—leaving less money each year to cover other basic necessities.[9]

4. Expand coverage to include important services and devices seniors need.

a. *Dental services*. Inadequate access to dental services puts older adults at high risk of having poor oral health which is linked to chronic diseases such as heart disease, stroke, and diabetes—as well as other health problems like infections, sepsis, and pain. Medicare provides no preventative and few treatment dental services, yet these conditions ultimately can result in individuals needing to seek Medicare-covered services in hospitals and emergency rooms. Providing coverage for dental services could reduce overall medical costs by preventing such issues.[10]

b. *Hearing aids.* According to the Center for Hearing and Communication, some degree of hearing loss occurs in one of three people over age 65 and two of three people for those aged 75 and older. Hearing loss can impair the exchange of information and significantly impact everyday life. The American Speech-Language-Hearing Association (ASHA) reports that untreated hearing loss has been linked to feelings of depression, anxiety, social isolation, frustration, and fatigue. [11]

c. *Nutrition therapy for all Medicare beneficiaries.* Because vitamin/mineral deficiencies are linked to diseases like Alzheimer's and Parkinson's, nutrition therapy coverage can help Medicare focus on prevention efforts. Nutrition therapy is currently restricted to recipients who have diabetes, kidney disease, or have had a kidney transplant within 36 months.

5. Utilize the buying power of all Medicare beneficiaries to negotiate drug prices.

Part D costs are projected to increase by 6.5% over the next decade.

a. Other federal programs *required by law* to negotiate drug prices have significantly lower costs to beneficiaries.

b. Strike the provision in the Medicare Modernization Act of 2003, prohibiting the government from negotiating drug prices on behalf of Medicare beneficiaries.

c. According to the Kaiser Family Foundation, 83% of Americans favored negotiation of drug prices by the government.

Action on these steps will strengthen and improve Medicare's ability to handle the increasing demand and keep pace with a rapidly-aging society.

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[1]http://www.netquote.com/health-insurance/news/medical-bankruptcies; all populations - http://www.cnbc.com/id/100840148.

[2]Social Security Fact Sheet, https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf.

[3]The Next Generation of Medicare Beneficiaries, http://www.medpac.gov/documents/reports/chapter-2-the-next-generation-of-medicare-beneficiaries-(june-2015-report).pdf?sfvrsn=0.

[4]National Prevention Strategy - Appendix 1, Economic Benefits of Preventing Disease. https://www.surgeongeneral.gov/priorities/prevention/strategy/report.pdf. Accessed October 24, 2016.

[5]Chronic Conditions Among Medicare Beneficiaries, Chart Book 2012. https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Chronic-Conditions/Downloads/2012Chartbook.pdf, Baltimore, MD: Centers for Medicare & Medicaid Services; 2012. Accessed October 24, 2016.

[6]http://www.aarp.org/health/medicare-insurance/info-06-2012/medicare-proposals-pros-and-cons.html

[7]Center for Medicare Advocacy, http://www.medicareadvocacy.org/medicare-info/medicare-and-health-care-reform/.

[8] Untreated Hearing Loss in Adults—A Growing National Epidemic; Oyler, Anne L., January 2012, http://www.asha.org/Articles/Untreated-Hearing-Loss-in-Adults/. Accessed November 9, 2016.

[9]Henry J. Kaiser Family Foundation, Health Care Costs: A Primer, May 01, 2012; http://kff.org/report-section/health-care-costs-a-primer-2012-report/. Accessed November 9, 2016.

[10]Oral Health's Relationship to Disease and Options for Expanding Services for Older Adults and Adults who Have Disabilities, Tilly, DrPH, Jane; http://www.acl.gov/Get_Help/BrainHealth/docs/OralHealthPaper101316.pdf, Center for Policy and Evaluation - Administration for Community Living, October 2016.

[11]2015 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, July 2015.

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