THE HOUSE OF REPRESENTATIVE'S CHAMP ACT IS GOOD MEDICINE FOR ALL GENERATIONS

Senator Grassley (R. Iowa) and other proponents of private Medicare plans argue that they add care coordination and choice for Medicare beneficiaries. What little benefit some Medicare beneficiaries gain from these plans, however, comes at the expense of the vast majority of people with Medicare and with a price tag of $150 billion in plan subsidies - paid for by all beneficiaries and taxpayers.

Of the 66 MA plans operating in Iowa, 43 are Private-Fee-For-Service plans, which are not required to coordinate care for beneficiaries. In fact, there is no evidence that MA plans provide more care coordination than is available to people in the traditional Medicare program. Thanks to the windfall subsidies available to these plans, their numbers are increasing in Iowa and across the country. Importantly, however, the increase in plans does not mean there are more doctors, hospitals, or other healthcare providers available in rural Iowa or throughout the state, country, or for low-income people. To the contrary, beneficiaries who choose a private Medicare plan are likely to find that it limits the doctors and other healthcare providers they can use. On the other hand, the traditional Medicare program allows them freedom of choice among almost all providers. That's the kind of choice that matters to people.

Last week the House of Representatives passed the CHAMP Act, legislation that would phase out the private plan subsidies and use the savings to help insure children and all Medicare beneficiaries. It will require reconciliation with the Senate bill that continues the overpayments to private Medicare plans. We urge Senator Grassley to support the House version - a win-win for all generations.

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