7th Annual
National Voices of Medicare Summit
and Senator Jay Rockefeller Lecture

April 30, 2020

#CMASummit2020

MedicareAdvocacy.org

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Dedicated to Improving the Care of Older Adults

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Welcome and Framing the Program

Judy Feder
Judy Stein

Panel Sponsors:

Medicare’s Promise & Challenges:

Cathy Hurwit
Tricia Neuman
Judy Stein

Panel Sponsors:
Some People With Medicare Enjoy Good Health, But Many Have Significant Health Impairments

- Functional impairment (1+ ADL limitations): 32%
- Fair/poor self-reported health: 25%
- 5+ chronic conditions: 22%
- Under age 65: 15%
- Age 85+: 12%
- Long-term care facility resident: 3%

NOTE: ADL is activity of daily living.
Half Of All Medicare Beneficiaries Lived On Incomes Under $29,650 Per Person; One In Four Lived On Incomes Under $17,000 In 2019

Per capita income among Medicare beneficiaries, 2019

- 25% had incomes below $17,000
- 50% had incomes below $29,650
- 1% had incomes above $205,500
- 5% had incomes above $117,700
- 1% had incomes above $117,700

Half Of All Medicare Beneficiaries Had Savings Below $73,800 Per Person; One In Ten Had No Savings Or Were In Debt In 2019

Per capita savings among Medicare beneficiaries, 2019

- 12% had $0 in savings or were in debt
- 25% had savings below $8,500
- 50% had savings below $73,800
- 1% had savings above $3,308,150
- 5% had savings above $1,391,300
- 1% had savings above $3,308,150
Figure 9

Median Savings Declines With Age Among Older Adults, Is Lower For Black & Hispanic Medicare Beneficiaries, And Lower For Women

Median per capita savings among Medicare beneficiaries, 2019

NOTE: Total household savings for couples is split equally between husbands and wives to estimate savings for married beneficiaries.

Figure 10

The Average Medicare Beneficiary Spent $5,460 Out Of Their Own Pocket For Health Care In 2016; Some Spent Much More

NOTE: Includes cost plans as well as Medicare Advantage plans. About 68 million people are enrolled in Medicare in 2020.

Figure 11
Total Medicare Advantage Enrollment, 1999-2020 (in millions)

HHS Actuaries project Medicare Advantage enrollment will reach 43.2% by 2029

Figure 12
The Share Of Medicare Beneficiaries In Medicare Advantage Plans Varies Widely Across and Within States

Figure 13

**Medicare Advantage Trends**

**Most Medicare Advantage Enrollees Have Access To Some Benefits Not Covered By Traditional Medicare**

- Eye exams and glasses: 79%
- Telehealth: 77%
- Dental Benefit: 74%
- Fitness Benefit: 74%

**Average Monthly Medicare Advantage Prescription Drug Plan Premiums**

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<th>Year</th>
<th>2010</th>
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**Average Medicare Advantage Plan Out-of-Pocket Limits for In-Network Services**

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**Average Medicare Advantage Plan Out-of-Pocket Limits for Out-of-Network Services (PPOs)**

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</table>


Figure 14

**Half Of All Medicare Advantage Enrollees Would Incur Higher Costs Than Beneficiaries In Traditional Medicare For A 5-day Hospital Stay**

**Medicare Advantage Enrollee Cost Sharing, by Length of Inpatient Hospital Stay, 2020**

<table>
<thead>
<tr>
<th>Length of Hospital Stay</th>
<th>Part A deductible for an inpatient hospitalization: $1,408</th>
<th>ABOVE traditional Medicare</th>
<th>BELOW traditional Medicare</th>
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<tbody>
<tr>
<td>3 day hospital stay</td>
<td>2%</td>
<td>50%</td>
<td>98%</td>
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<tr>
<td>5 day hospital stay</td>
<td>50%</td>
<td>64%</td>
<td>50%</td>
</tr>
<tr>
<td>7 day hospital stay</td>
<td>64%</td>
<td>72%</td>
<td>36%</td>
</tr>
<tr>
<td>10 day hospital stay</td>
<td>72%</td>
<td>28%</td>
<td>28%</td>
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</tbody>
</table>

Nearly All Medicare Advantage Enrollees Are In Plans That Require Prior Authorization For Some Services

Most enrollees are required to receive prior authorization for the highest cost services and fewer enrollees need to receive it for preventive services.


Medicare Beneficiaries Now Have the Option to Choose Between Medicare Advantage and Traditional Medicare, Among Medicare Advantage Plans, and Among Part D Plans if in Traditional Medicare.

The Average Medicare Beneficiary Has Access to 28 Medicare Advantage Plans in 2020

The Average Medicare Beneficiary Has a Choice of 28 Stand-alone Drug Plans and 24 Medicare Advantage Drug Plans in 2020

In Theory, People On Medicare Compare And Choose Plans Each Year During Open Enrollment, But Relatively Few Do

“At our age, as we get older we learned that the grass is not really greener on the other side. We’re very cautious about changing to something else that is unfamiliar...”

“I’ve reached the age of 78 and I’m saying to myself, ‘I’m too goddamn tired to investigate this.’”

“That’s what gets me – they wait until we retire to make it complicated.”

Only a Small Share of Medicare Advantage and Part D Prescription Drug Plan Enrollees Voluntarily Switched Plans Between 2016 and 2017

Medicare Advantage Prescription Drug Plan Enrollees
- 88% Did not switch
- 8% Voluntarily switched
- 3% Involuntarily switched
Total = 9.4 million beneficiaries

Medicare Prescription Drug Plan (PDP) Enrollees in Traditional Medicare
- 90% Did not switch
- 10% Voluntarily switched
- <1% Involuntarily switched
Total = 11.7 million beneficiaries
The Medicare Part A Trust Fund is projected to be insolvent in 2026, three years earlier than the Administration’s actuaries projected in 2017.

Effective During the Emergency:

- Expanding telehealth benefits, including making them available to all beneficiaries, in their homes.
- Allowing Medicare to pay for Skilled Nursing Facility (SNF) services without a 3-day qualifying stay.
- Providing renewed SNF coverage to beneficiaries without starting a new spell of illness and allowing them to receive up to an additional 100 days of SNF coverage.
- Requiring PDPs and MA-PDs to provide up to 90-day supply of medications.
- Modifying calculation of star ratings for Medicare Advantage plans.
- Allowing Medicare Advantage plans to waive prior authorization requirements.
- Increasing payments to hospitals by 20% for patients diagnosed with COVID-19 (based on DRGs).
Medicare Resources on KFF.org

- An Overview of Medicare
- Medicare Beneficiaries’ Financial Security Before the Coronavirus Pandemic
- A Dozen Facts About Medicare Advantage in 2020
- Medicare Advantage 2020 Spotlight: First Look
- An Overview of the Medicare Part D Prescription Drug Benefit
- Medicare Part D: A First Look at Prescription Drug Plans in 2020
- The Facts on Medicare Spending and Financing
- No Itch to Switch: Few Medicare Beneficiaries Switch Plans During the Open Enrollment Period
- How Much Could Medicare Beneficiaries Pay For a Hospital Stay Related to COVID-19?

For more information, contact trician@kff.org or visit kff.org/medicare

Thank you.
MEDICARE AT 55

MEDICARE VISION

Before Medicare
- Private insurance did not meet needs of older adults
- 50% everyone ≥ 65 had no health insurance

Medicare – Begins in 1965
- Health care coverage for most people ≥ 65
- Social Insurance model
- All in, shared risk, uniform benefits, shared interest
- Increased health and economic security of older adults and their families
MEDICARE VISION

- 1972, added –
  - Coverage for people with SSA Disability (for 24 months)
  - SNF coverage for therapy (in addition to nursing)
- 1980, rescinded –
  - Cap on home health visits and prior institutionalization requirement
- 1983, added –
  - Hospice coverage

As enhancements were made, incremental increases in Medicare funding were also made (employer/employee payroll taxes)

CHANGING VISION(S)

- 1990s – Present: Emphasis and approaches change
- Increased funding for traditional Medicare off the table
- Decreased commitment to social insurance model
- Privatization experiments and implementation
  - Medicare+Choice, Medicare Advantage, Part D
  - Premium Support
  - “Choice”! (of plan)
- Increased fragmentation, decreased standardization
CHANGING VISION(S)

- 2003 → Income-based premiums
- Premium Support / Vouchers
- 2014 Affordable Care Act
  - Rolled back MA overpayments, increased Medicare Trust Fund solvency
  - Added preventive benefits w/ no cost-sharing,
  - Decreased Part D “Donut Hole”
- Current –
  - Moves to repeal, limit ACA, strike down via litigation
  - Increased emphasis on private plans, de-standarization
PRINCIPLES FOR MEDICARE REFORM

Core Considerations

1. Adequate & Available (Coverage)
2. Affordable (For beneficiaries)
3. Simplicity (Easy to understand & navigate)
4. Sustainable (For Medicare program)
5. Fair (For all beneficiaries & between delivery options)

IMPROVE MEDICARE FOR ALL BENEFICIARIES

- Improve traditional Medicare, including:
  - Add Out-of-Pocket cap
    - Reduce need for and improve Medigap access and coverage
  - Add oral health, vision, hearing coverage (HH aides, LTCare)
  - Add Rx to Part B (and negotiate Rx prices)
  - Equalize traditional Medicare and Medicare Advantage (payments and benefits)
  - Reduce ongoing barriers to care (prior institutional requirements, observation status, homebound, DME restrictions)
  - Improve/simplify enrollment
  - Improve low-income protections
IMPROVE MEDICARE FOR ALL BENEFICIARIES

- **Improve Oversight, including:**
  - Ensure beneficiary access to fair appeals and written decisions
  - Monitor Medicare Contractor appeals to ensure decisions comply with Medicare law, regulations, court decisions
  - Monitor Medicare SNFs and HHAs to ensure they follow Physicians Orders and Medicare Conditions of Participation
  - Monitor providers for under-provision of care
  - Reinforce Medicare Advantage consumer protections
  - Ensure true network adequacy in MA plans
  - Prohibit MA plans from terminating providers after beneficiary enrollment period unless Good Cause

H.R. 3 – MEDICARE IMPROVEMENTS

**ELIJAH E. CUMMINGS LOWER DRUG COSTS NOW ACT OF 2019**

- Allows HHS to negotiate some Part D drugs
- Rx savings reinvested into expanding Medicare benefits, including:
  - OOP cap on Part D expenses
  - Vision, hearing, dental benefits added
  - Medigap rights enhanced
  - Low-income programs
    - Full LIS eligibility – Income increased to 150% FPL
    - Full QMB eligibility – Income increased to 150% FPL
- Passed House, not Senate
MEDICARE EXPANSION PROPOSALS
Range Of Proposals

- **Medicare for All** – Single federal program replacing Medicare, Medicaid, private insurance
- **Medicare for America** – Enhanced Medicare benefits, auto-enroll uninsured, Medicaid, CHIP, option for large group employers
- Medicare for those who want it
- Medicare “buy-in”/public option for older individuals not yet eligible for the current Medicare program (≥ 60/other?)
- New national health insurance program for all U.S. residents,
  - Opt out for those with qualified coverage
  
HELPFUL MEDICARE-RELATED COVID RESPONSES

- MA – Prior Auth. can be waived, at plan discretion
- HH – Latitude re in-person Face-to Face, Homebound (includes COVID and COVID risk), OT can trigger HH
- SNF – 3-day inpatient hospital stay and 100-day limit on coverage lifted for COVID-related reasons
- Telehealth – Greater latitude for audio only and video for various purposes (But, watch for long-term consequences)
- Appeals – COVID Crisis = Good Cause for delay; latitude re appeal forms/detail requirements

TROUBLING MEDICARE-RELATED COVID RESPONSES

- Many consumer protections and oversight functions suspended, including:
  - Most SNF inspections and staffing requirements
  - Many provider reporting requirements
  - Some MA oversight
Focus on Individuals Most in Need
When Considering Vision for Medicare –
Now and in the Future

Edith Masterman: Fighting to Keep Medicare Services

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Medicare’s Promise & Challenges

Discussion

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Special Presentation:
National Elder Law Foundation
Award of Excellence in Elder Law

Amos Goodall,
National Elder Law Foundation
7th Annual
National Voices of Medicare Summit
– Senator Jay Rockefeller Lecture –

Wendell Potter

Introduction by
Former Senator Jay Rockefeller

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– Senator Jay Rockefeller Lecture –

Wendell Potter

Discussion

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Media: Coverage and Concerns

Discussion

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Alfred J. Chiplin, Jr, Social Justice & Advocacy Award
7th Annual
National Voices of Medicare Summit
and Senator Jay Rockefeller Lecture

Alfred J. Chiplin, Jr,
Social Justice & Advocacy Award

Presented to

Ashwani Jain
Program Director
National Kidney Foundation
7th Annual National Voices of Medicare Summit and Senator Jay Rockefeller Lecture

Closing Remarks

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Judy Stein
Look for the 8th Annual
National Voices of Medicare Summit
and Senator Jay Rockefeller Lecture
— 2021 —

Stay Tuned for Next Year’s (In-Person) Date!

MedicareAdvocacy.org