

## How Washington Gets Health Care Wrong

Washington's efforts to privatize health care accelerated with passage of the 2003 Medicare Modernization Act, when focus was placed on expanding Medicare Advantage plans that funnel large subsidies to multi-payer private insurers. Windfall gains represent yet another wealth transfer upward to industry that ultimately protects its bottom line by transferring costs in the form of higher deductibles and copays to the insured, reducing benefits, and shrinking provider networks - thereby reducing choice of doctors and hospitals, all characteristics of Medicare Advantage plans.

Washington's accelerated promotion of Medicare Advantage Plans (representing ~34% of the 63.3 million eligible U.S. Medicare recipients in 2018) represented by multiple heavily subsidized private insurers, is only one means to privatize Medicare.

Such increased fragmentation of health care financing disrupts the traditional Medicare function of pooling risk in a single large risk pool insurance with the economy of scale required to globally negotiate and control costs, while providing the only sustainable model of universal coverage.

### Proposals that Fall Short, Built Around Private Health Coverage

**"Public Option" - "Medicare Buy-In" - "Medicare X" - "Medicare for America" - "Medicare Extra for All" = "Medicare NOT"**

All of these health coverage proposals by Democrats seek to play on the popular traditional "Medicare" name, while perpetuating at their core the broken health insurance system built around multiple private health insurances - a fragmented, complex, administratively costly model. Most offer some sort of individual "buy-in" to a limited public insurance plan. None of these fragmented models can match the cost-sustainability of the traditional Medicare model with ability to control costs and provide universal coverage in a single large risk pool insurance.

**"Ability to keep your private insurance plan" - "increasing choice" - "competition" - "buying across state lines"**: All are linguistic shortcuts for health financing models that maintain multiple private health insurances at their center, contributing to fragmentation, complexity and perpetuation of high administrative costs. **"Reinsurance"** is insurance for private insurers - taxpayer-subsidized reimbursement to insurers for cases of high-cost health care. These added costs would be unnecessary if all were insured within a single large risk pool insurance model, Medicare-for-All, based on traditional Medicare.

Commercial health insurance adds no value to the health care system, they are middle men practicing "denial management" of health claims, keeping their costs minimal and augmenting their profits; while providers are often forced to submit claims multiple times, inflating each provider's administrative billing staff and costs by as much as \$100,000 annually.

Instead of continually pumping in increased subsidies designed to prop up private health insurers' bottom line, Washington should adopt the only truly sustainable health insurance model - Public National Health Insurance (single payer Medicare for All) - that eliminates inflated costs of fragmented U.S. health care financing by implementing a single-large-risk-pool insurance that makes health care equitable, accessible and affordable for everyone, and permits negotiation, e.g., of medicine costs, and global budgets for hospitals, providers, etc.