

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)
- Wisconsin Senior Corps Association (WISCA)
- Wisconsin Tribal Aging Unit Association

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.

WAAN Federal Issue Brief
April 2019

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 59 million beneficiaries (2018) age 65 and older (85%) and people with disabilities (15%)¹, including more than 1.2 million Wisconsin residents.² 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 outpatient doctors' services, clinic visits, durable medical equipment, and preventive services
- Part C (Medicare Advantage Plans): an optional way to combine Part A and Part B benefits into a Health Maintenance Organization or Preferred Provider Organization plan with a designated provider network. Most plans also include prescription drug coverage.
- Part D: prescription drug coverage

For more information, see: www.medicare.gov



Why Is Medicare Important for Seniors?

Access to health insurance is vital to the financial security of older adults. Before Medicare, fewer than half of adults over 65 had health insurance.⁴ Further, 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.⁵ Additionally, many older adults live on a fixed income. Social Security accounts for more than 90% of total income for 21% of married and 44% of unmarried elderly Social Security beneficiaries.⁶ Medicare ensures that vulnerable seniors maintain financial security and stability because the program provides the foundation of affordable, comprehensive healthcare coverage for seniors.

As the population ages and requires more medical services, Medicare must be strengthened and improved to ensure the program meets changing needs.

Why Strengthen and Improve Medicare?

Medicare will enroll millions of new beneficiaries each year as baby boomers continue to retire over the next twenty years.⁷ In addition, many people now live longer because of modern medicine and advances in technology. 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.

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 dollars annually.⁸
 - b. Medicare beneficiaries with chronic conditions accounted for a higher share of Medicare spending.⁹ Further, the CDC estimates that over 70% of total health care spending is attributed to care for Americans with more than one chronic condition.¹⁰
2. *Oppose Medicare proposals that cut benefits, raise beneficiaries' share of premiums, privatize Medicare, or 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 care when needed.¹¹
 - 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.¹²
3. *Keep the Part B premium and deductible low.* Accomplishing this goal requires balance. Older adults' financial security depends on affordable healthcare. People are more likely to go to the doctor sooner if they have better, affordable coverage.¹³
4. *Expand coverage to include important services and devices seniors need*
 - a. *Dental services.* If left untreated, dental problems can lead to other issues that ultimately do become Medicare covered problems such as, heart issues, infections, sepsis, pain management, and ER visits.¹⁴ Providing coverage for dental services could reduce overall medical costs by preventing such issues.



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- b. *Hearing aids.* In the U.S., approximately one in three people between 65-74 years old has hearing loss, and nearly half of those older than 75 have difficulty hearing.¹⁵ Hearing loss can affect a person’s physical, social, and emotional well-being and have a significant impact on an individual’s overall quality of life.¹⁶
- 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.¹⁷
- d. *Expand access to mental health services.* According to the National Institute of Mental Health, depression in older adults is tied to poorer health outcomes with conditions such as heart disease, stroke, and diabetes.¹⁸ Ensuring all older adults have access to quality mental health providers in both rural and urban areas is paramount in treating chronic illness and maintaining quality of life. Inclusion of licensed professional counselors as approved mental health providers under Medicare may help to ease this access issue.



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

- a. Part D costs are projected to increase by 6.9% annually over the next decade.¹⁹
- b. Other federal programs that are required by law to negotiate drug prices have significantly lower costs to beneficiaries and programs.²⁰
- c. Strike the provision in the Medicare Modernization Act of 2003 prohibiting the government from negotiating drug prices on behalf of Medicare beneficiaries.²¹
- d. According to the Kaiser Family Foundation, 92% of Americans favored negotiation of drug prices by the government.²² Action on these steps will strengthen and improve Medicare’s ability to handle the increasing demand and keep pace with a rapidly aging society.

6. *Oppose efforts to undermine or repeal the Affordable Care Act (ACA)*

- a. The ACA included many changes and improvements to Medicare, including free coverage for some preventive benefits and closing the coverage gap (or “doughnut hole”) in the Part D drug benefit. The ACA also added an additional 10+ years of solvency to Medicare.²³
- b. A full repeal of the ACA would increase Medicare spending by restoring higher payments to health care providers and Medicare Advantage plans and accelerate the projected insolvency of the Medicare trust fund.²⁴



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