

Healthcare Advocacy - Medicare Advantage – Advantage for Who? You can subscribe for free to Alan Unell's Healthcare advocacy emails.

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Good Day Healthcare Advocates

Every day that we learn, grow and advocate for better healthcare for all of us is a good day. Thank you also to all of you advocates who have recently subscribed.

If there are specific healthcare topics you'd like to see addressed please send me a comment using the comment button. Thank you to those who have suggested topics, like Medicare reimbursement levels and sufficient access to care in a timely fashion. I will write about them in upcoming issues.

Mission

The Healthcare delivery system in the United States is a patchwork that leaves much to be desired. It is the most expensive system among the top 35 industrial countries and covers far fewer participants delivering lower levels of quality care than many of our peer nations. This blog will provide:

- Current problems in healthcare
- Actions you can take
- References.

Current State of Affairs - Medicare Advantage – Advantage for Who?

Remember we discussed the 4 types of Healthcare systems. One of those was the Beveridge model of a single national insurance trust paying claims. Medicare is one of those. Medicare came into existence in the late 1960s. Prior to that many retirees had no insurance and had to pay for medical bills out of pocket. You can see how quickly debt could accrue.

Medicare is fairly simple. Part A is hospitalization and there is no cost for the first 60 days and there is a deductible of about \$1600. Part B covers doctor bills and here there is a 20% copay and a deductible of about \$230. Drug coverage is provided by separate insurance plans from private companies. Worth noting that the vast majority of hospital stays are four days or less.

In later issues we will discuss why there are deductibles and why it is an 80/20 system – not a very flattering story.

Insurance companies saw what a lucrative market the elderly could be and Medicare Part C was born. Part C is called Medicare Advantage. These policies are offered by private companies and have many flavors. Some are Health Maintenance Organizations (Like Kaiser)

some are Preferred Provider Organizations (PPOs), some allow out of network claims (at lower reimbursement) some do not. Some allow claims from out of the US some do not.

The goal of Medicare Advantage (Part C) was to have private companies find innovative ways to save health care costs while still providing quality care. If Insurance companies operated in the interest of the patient that would be the case.

Medicare pays Medicare Advantage insurance companies about \$1000/month for each person they enroll with higher rates for sicker people. You may also pay extra monthly premiums to the insurance company in addition to the amount paid monthly to CMS (Center for Medicare and Medicaid Services) for the Medicare Advantage plan.

Since the plan is supposed to keep people healthy at lower costs Medicare offers incentives to the company to provide additional benefits like some vision or dental care and sometimes gym memberships. Some of these plans include a Medicare Plan D that covers prescriptions at some level.

Note that if enrollees use fewer services and provider costs are driven down (lower cost claims) then the amount of money that can be earned by the insurance company rises. They can accomplish this by using preferred provider organizations, PPOs, that have contracted services at lower cost. Note that the PPOs also have an interest in up-coding patients to increase their profit. Of course, this scheme limits what doctors are available to the patient.

Remember the extra money paid to insurers for sicker people? Well, 8 of the top 10 insurers have been accused of up-coding patients with providers, to indicate that they were sicker than they were and thus over-billing Medicare to the tune of about \$12B/year. That's enough to provide every Medicare patient free vision and dental care.

Worth noting that the vast majority of hospital stays are four days or less. Medicare Advantage usually has a significant copy for the first few days and so the insurance company is able to recoup costs right away.

Of course these are insurance companies and there are other ways to make money, they can deny coverage for procedures and prescriptions, The Death Panels, increase premiums, copays and deductibles. They do all of these.

In fact, Medicare Advantage is the most profitable insurance product around. It is even more profitable than usual health insurance. No wonder the airwaves are filled with ads selling Medicare Advantage Plans.

Summary

It is important to keep in mind that Medicare and Medicare Advantage are separate systems and reimburse providers differently. Medicare is transparent and is primarily guided by paying

for the best healthcare for patients, while Medicare Advantage is guided by increasing corporate profits.

Medicare Advantage started as a good idea. It would reduce patient risk of the open ended 20% copay, perform at lower cost, and provide quality care. The truth is that it could have done that if the guiding principle were to care for people's health instead of making as much money as possible.

Again we are faced with a situation where private companies who stand between doctors and patients have found a way to enrich themselves at patient expense. It is another reason why Universal Healthcare is needed now.

What You Can Do - Call Representatives Now and After Jan 3

See resources below for your senator/representative

You can call or email your Senators and Representative and say

My name is _____, I am a constituent and live in zipcode _____.

We can all agree that we need better quality, lower cost, transparent healthcare for everyone, that includes people over 65. Medicare Advantage is costing all of us a fortune by paying private companies a high fixed monthly amount for each participant. A universal health plan could provide better coverage for everyone at far lower cost.

I would like you to support adoption of universal healthcare, like the 17th Congress HR1976. It covers everyone transparently, at lower cost, has no copays or deductibles and greatly expands rural healthcare. We need you to do this.

Thank you – you are making healthcare better for all of us.