

---

## Restructuring/Increasing Medicare Cost Sharing: The Impact on Beneficiaries

Alliance for Health Reform and Kaiser Family Foundation  
July 22, 2013

**Joe Baker**  
President

### Restructuring/Increasing Cost Sharing

---

- ❖ Must not shift added costs to beneficiaries
- ❖ Must be conscious of winners and losers
- ❖ Must consider broader context—***widespread economic insecurity***

## People with Medicare

---

- ❖ [51 million](#) people with Medicare
- ❖ Half live on annual incomes of [\\$22,500](#) or less and have less than [\\$77,500](#) in personal savings
- ❖ Medicare households spend an average of [15%](#) of income on health care vs. [5%](#) among non-Medicare
- ❖ Spending on premiums rising: [26%](#) of average Social Security benefit in 2010 vs. [7%](#) in 1980

[www.medicarerights.org](http://www.medicarerights.org)

## Proposed Medicare Changes

---

### Common proposals:

- ❖ Consolidated deductible: Part A and B
- ❖ Uniform coinsurance
- ❖ Varying coinsurance and copayments
- ❖ Add a catastrophic cap
- ❖ Income-relating premiums, deductibles or caps
- ❖ Surcharge on first-dollar supplemental coverage
- ❖ Prohibit first-dollar supplemental coverage

[www.medicarerights.org](http://www.medicarerights.org)

## Proposed Medicare Changes

---

### **The beneficiary perspective:**

- ❖ Significant cost shifting to most beneficiaries
- ❖ Reduces both needed and unneeded care
- ❖ Inadequate low-income protections
- ❖ Most harm for poorer and sicker

[www.medicarerights.org](http://www.medicarerights.org)

## Seldom-Heard Proposals

---

- ❖ **Strengthening low-income protections**
  - Medicare Savings Programs and Extra Help
  - Assistance with premiums and copayments
  - Full protection up to 100% FPL
- ❖ **Public supplement, like Medicare Essential/Part E**
  - Combines Part A, B and D
  - Financed through beneficiary premiums
  - Preserves beneficiary choice

[www.medicarerights.org](http://www.medicarerights.org)

- ❖ Visit us at [www.medicarerights.org](http://www.medicarerights.org)
- ❖ Call our helpline at **1-800-333-4114**
- ❖ Sign up for [Medicare Watch](#)
- ❖ Like us on [Facebook](#)
- ❖ Follow us on [Twitter](#)



[www.medicarerights.org](http://www.medicarerights.org)