

# The MEDICARE FOR AMERICA Act of 2018

The Medicare for America Act would establish the Medicare for America (MFA) health program to provide universal, comprehensive, and affordable health coverage to all Americans.

## Who Can Join?

Medicare for America achieves universal coverage by enrolling the uninsured, those who purchase their health insurance on the individual market, and those currently on Medicare, Medicaid, and CHIP. Large employers can continue to provide employer-sponsored care, if it is gold-level coverage. Or, they can direct that contribution toward their employee's MFA premiums. Or, employees will have the option to choose MFA over employer-sponsored coverage.

## What Does It Cover?

Medicare for America improves on Medicare's and Medicaid's benefits: covering prescription drugs, dental, vision, and hearing services. And unlike Medicaid, your zip code does not determine your benefits.

Medicare for America also comprehensively covers long-term supports and services for Americans living with disabilities and seniors, which Medicare and private insurance do not. And unlike Medicaid, MFA compensates family caregivers, who play a crucial role in resolving America's long-term care crisis.

## What Does It Cost Me?

Premiums, to be established by the Secretary, will be no more than 9.69% of individuals' or households' monthly income. Current Medicare beneficiaries will pay either Medicare's premium (how it is presently calculated) or MFA's, whichever is cheaper. And, individuals and families between 200 and 600 percent of the Federal Poverty Level will receive subsidies. Those below 200 percent will have no premium (or deductible or out of pocket limit).

Deductibles for an individual (including seniors and current Medicare beneficiaries) will be \$350; \$500 for a family (based on a sliding scale for individuals and families between 200 and 600 percent of the Federal Poverty Level). Maximum out of pocket costs for an individual (including seniors and current Medicare beneficiaries) will be \$3,500; \$5,000 for families (based on a sliding scale for individuals and families between 200 and 600 percent of the Federal Poverty Level). Premiums will vary by family composition, but no individual or family can pay more than 9.69% of monthly income towards their monthly premium.

## What About Employer-Sponsored Insurance (ESI)?

Large employers can continue to provide insurance, if it is gold-level coverage with benefits comparable to MFA. Or, they enroll their employees in MFA and contribute 8% of annual payroll to the Medicare Trust Fund. Employees can choose to enroll in MFA, even if their employer offers qualifying coverage. And in either case, if an employer contributes to MFA in lieu of ESI or an employee chooses MFA over ESI, the employee's MFA premiums will be based on income. And, they will be eligible for subsidies. The same deductibles and cost-sharing apply for these individuals and households.

## What Doctors Can I See?

Doctors who participate in current Medicare remain a participating provider under MFA. The Secretary would establish a process for adding more providers not yet participating in Medicare (e.g. pediatric specialties).

### **How Are Doctors Reimbursed?**

MFA's rates for medical providers and services would equal current Medicare rates, while proactively increasing rates for primary care and other mental and behavioral health and cognitive services. Far too many individuals who need care face roadblocks because reimbursement rates are too low. Health coverage serves no one any good if they do not have access to care.

### **What About Skyrocketing Prescription Drug Prices?**

MFA would end the Big Pharma giveaway banning Medicare from negotiating drug prices. Under MFA, the Secretary would negotiate prescription drugs based on value assessments. If negotiations fail, the Secretary shall use prices paid by the Department of Veterans Affairs or the average price of these drugs in OECD nations. If drug manufacturers refuse to negotiate, MFA will not cover any of their products, with an exceptions process for drugs otherwise unavailable for individuals with chronic conditions. Additionally, MFA bans the use of prior authorization and step therapy in any type of health insurance: public or private.

### **What About Medicare Advantage?**

Individuals will have the option to enroll in a Medicare Advantage for America plan, but these plans will need to charge an additional premium if they cover additional benefits. The bill also includes the Medicare Advantage Bill of Rights, which would prohibit plans from dropping providers during the middle of the plan year unless they can show cause, and would improve notice to plan enrollees about annual changes to provider networks *before* they commit to joining the plan.

### **How Is Medicare For America Paid For?**

Medicare for America will be financed by sunseting the Republican tax bill, imposing a 5% surtax on adjusted gross income (including on capital gains) above \$500,000, and increasing the Medicare payroll tax and the net investment income tax. Medicare for America also increases the excise taxes on all tobacco products, beer, wine, liquor, and sugar-sweetened drinks.

States will also need to make maintenance of effort payments equal to the amounts they currently spend on Medicaid and CHIP. For states that did not expand Medicaid, these amounts would be inflated by the growth in gross domestic product (GDP) per person plus 0.7 percentage points. For states that did expand Medicaid, these amounts would be inflated by the growth in GDP per person plus 0.4 percentage points.

After 10 years of payments, they would then increase by the growth in GDP per person plus 0.7 percentage points for all states. This structure would ensure that no state spends more than they currently spend, while giving a temporary discount to states that expanded their Medicaid programs.

If states refuse to make the maintenance of effort payments, they will no longer be eligible for funding under the Mental Health Services Block Grant program, Social Services Block grant program, the Substance Abuse Prevention and Treatment Block Grant program (Federal Health Centers Program), State Targeted Response to Opioid Crisis Grants, Community Services Block grants, Section 330 grants, and the Ryan White HIV/AIDS Program grant program.