

## **LEVEL THE MEDICARE PLAYING FIELD TO SAVE OUR MEDICARE FROM TOTAL PRIVATIZATION**

Resolution #2023.01 - Adopted unanimously at WA State Labor Council AFL-CIO convention on 7-20-23

*Submitted by APALA, Pride at Work, Puget Sound Advocates for Retirement Action, Retired Public Employees Council, AFSCME Council 28/WFSE, and the Washington State Alliance for Retired Americans*

WHEREAS, traditional Medicare was created in 1965 as a public good to provide a national health care system for seniors and the disabled in the United States and has proven to be our most efficient and effective public health care program with administrative costs accounting for only 2-3% of Medicare spending; and

WHEREAS, since the federal government has created various for-profit privatized health care programs within Medicare including Medicare Part D (prescription drugs), MediGap (supplemental plans to cover Medicare's 20% copays), and Medicare Advantage which is permitted to take up to 15% of every Medicare dollar for administration and profits for managing Medicare claims; and

WHEREAS, the Trump administration doubled down on privatizing Medicare through the Direct Contracting Pilot, rebranded under the Biden Administration as ACO-REACH, which allows private equity firms and Wall Street companies to take up to 25% or more of every Medicare dollar for administration and profits for managing Medicare claims; and

WHEREAS, recent reports by the HHS Inspector General, academic researchers, and investigative journalists have uncovered wide-ranging fraudulent practices, confirming that. upcoding, delaying medically necessary care, and the denial of claims by insurers and other private businesses managing Medicare claims, together account for defrauding the Medicare Trust Fund and Medicare beneficiaries of many billions of dollars annually\*\*; and

WHEREAS, insurers and Wall Street are fiercely lobbying to gain a larger share of the soon-to-be \$1.6 trillion of annual Medicare spending by further privatizing Medicare turning it into a profit center, thus hastening the depletion of the Medicare Trust Fund at a time when Medicare beneficiaries are among the most vulnerable populations served in health care, and need more, not fewer benefits; and

WHEREAS, the Washington State Labor Council, AFL-CIO at its 2022 Constitutional Convention unanimously resolved to urge our federal legislators to strengthen traditional Medicare and protect it from any and all efforts to privatize Medicare, and

WHEREAS, the AFL-CIO and the Washington State Labor Council, AFL-CIO have repeatedly confirmed their support for defending Medicare, expanding its benefits, and making quality healthcare a basic right in the United States by means of a single-payer system like Medicare for All; now, therefore, be it

RESOLVED, that the Washington State Labor Council, AFL-CIO reaffirm its opposition to Medicare privatization and urge our federal legislators and the Biden Administration to LEVEL THE PLAYING FIELD as a first step towards increasing healthcare equity by (1) adding benefits to traditional Medicare now only offered in private Medicare Advantage plans (adding vision, dental and hearing, eliminating the 20% Medicare co-pays and setting an out-of-pocket cap), (2) eliminating the excessive administrative costs and profits in the Medicare Advantage and ACO-REACH programs, and (3) recouping funds for the Medicare Trust Fund from fraud and abuse by Medicare Advantage plans and ACO-REACH contractors, as confirmed by the Department of Health & Human Services or Congressional investigations, in order to use the money thus saved to support a robust Traditional Medicare system that will lower costs and improve benefits, access and equity in Traditional Medicare for all seniors and disabled beneficiaries; and be it further

RESOLVED, that the Washington State Labor Council, AFL-CIO will send a copy of this Resolution to our two U.S. Senators and Congressional House members in their jurisdiction, as well as to President Biden and Secretary of Health and Human Services Xavier Becerra; and be it finally

RESOLVED, that the Washington State Labor Council, AFL-CIO will encourage its affiliates and Washington's Central Labor Councils to bring this resolution to their members for discussion and action.

\*\* References – [U.S. House analysis](#) (2023); [U.S. Senate report](#) (2022); [HHS OIG report](#) (2022); [New York Times](#) (10/22); [Common Dreams](#) (2/23); [The Lever](#) (5/23)