



# ObamaCare's Medicare Mess

*As Obama Travels To The Sunshine State, ObamaCare And Its Medicare Cuts Are Turning Into A Storm For Democrats*

**Today, President Obama Will Visit Orlando, Florida, The State Where His Party Lost An Important Special Election Last Week.** "President Barack Obama is headed back to Orlando next Thursday for an 'event on the economy,' according to a two-sentence announcement made today by the White House. The administration provided no other details, other than to say more information would be available about the March 20 trip in the coming days." (Mark K. Matthews, "Obama Visit To Orlando On March 20," [Orlando Sentinel](#), 3/14/14)

## DEMOCRATS RECENTLY SUFFERED A STINGING OBAMACARE REBUKE FROM FLORIDA VOTERS

**Last Week's Special Election In Florida Exposed "The Depth Of Anger Over ObamaCare."** "One of the key questions in the race was whether a 'fix, don't repeal' message would resonate with voters dissatisfied with the health care law but unwilling to give up on it. The verdict is incomplete, but it's an early sign the depth of anger over ObamaCare. Democrats are hoping for higher turnout in the November midterms, but core Democratic groups usually show up in lower numbers in off-year elections too." (Josh Kraushaar, "Republican Wave In 2014 Looking More Likely," [National Journal](#), 3/11/14)

- **The Loss Was A "Stinging Blow To Democrats That Underscores Their Vulnerability To ObamaCare Attacks."** "Republican David Jolly defeated Democrat Alex Sink in the special election to fill Florida's 13th district on Tuesday night, delivering a stinging blow to Democrats that underscores their vulnerability to ObamaCare attacks." (Alexandra Jaffe, "Republican Jolly Wins Crucial Florida Bellwether Special Election," [The Hill's Ballot Box](#), 3/11/14)

## *The Loss Was Attributed To ObamaCare's Negative Impact On Medicare Advantage Plans*

**MSNBC's Mark Halperin: "It's A Sleeper Issue ... Medicare Advantage Is Being Scaled Back For A Lot Of People In Terms Of All The Issues We Hear About: Increased Cost, Loss Of Doctor Choice."** MARK HALPERIN: "It's a sleeper issue – part of ObamaCare – Medicare Advantage. It's something reporters don't talk a lot about because not too many reporters are on Medicare Advantage. It's a part of Medicare, very popular in that district, but there are voters all around the country, the kind of people who vote in mid-term elections, older voters relying on their Medicare. Medicare Advantage is being scaled back for a lot of people in terms of all the issues we hear about: increased cost, loss of doctor choice. In that district it was a huge issue." (MSNBC's "[Morning Joe](#)," 3/12/14)

## OBAMCARE IS MAKING DRASTIC CUTS TO MEDICARE ADVANTAGE

**Last Month, The Obama Administration Announced That It Plans To Cut Medicare Advantage Payments By 5.9 Percent Next Year.** “The health insurance industry fighting proposed cuts to Medicare Advantage payments argued they will raise seniors’ out-of-pocket costs next year. America’s Health Insurance Plans (AHIP), a trade group, blasted the reductions with a report Thursday finding that beneficiaries could pay as much as \$900 more in 2015 if the cuts take effect. The report by consulting firm Oliver Wyman concluded that Medicare Advantage (MA) plans could see a 5.9 percent total cut to their payments next year as a result of changes proposed by federal health officials.” (Elise Viebeck, “Insurers: Medicare Advantage Cuts Cost Seniors \$900 Per Year,” [The Hill](#), 2/27/14)

- **The Obama Administration’s Proposed Cuts To Medicare Advantage Are On Top Of A Six Percent Cut Last Year.** “Another possibility for insurers is eliminating plans and withdrawing from certain markets. Many did that last year after the government cut rates by nearly 6 percent.” (Caroline Humer, “U.S. Health Insurers Brace For New Steep Medicare Cuts,” [Reuters](#), 2/20/14)

**The Federal Government Has Consistently Cut Medicare Advantage Payment Rates As A Result Of ObamaCare.** “The U.S. government has been cutting payment rates for Medicare Advantage as part of an overall reduction in healthcare spending required under the law and as it seeks to bring the program fees closer to the ones it pays through the Medicare fee-for-service program.” (Caroline Humer, “U.S. Health Insurers Brace For New Steep Medicare Cuts,” [Reuters](#), 2/20/14)

**Democrats Financed ObamaCare In Part “By An Estimated \$206 Billion” In Medicare Advantage Cuts.** “Consumers who choose Advantage plans are opting for managed care with benefits including lower out-of-pocket costs over the traditional government-run Medicare program for the elderly and disabled. Government payments have been under pressure since 2010, when the U.S. health expansion was financed in part by reducing spending on Advantage plans by an estimated \$206 billion over a decade.” (Alex Wayne and Caroline Chen, “Humana, UnitedHealth Face About 3.6% Advantage Rate Cuts,” [Bloomberg](#), 2/21/14)

- **The Nonpartisan Congressional Budget Office (CBO): ObamaCare Cuts \$716 Billion From Medicare.** (Congressional Budget Office, [Letter To Speaker John Boehner](#), 7/24/12)

### ***Analysts Fear That The Obama Administration’s Proposed Medicare Advantage Cuts Are Worse Than Being Reported***

**According To Some Analysts, The Medicare Advantage Cuts “Appeared Steeper Than They Had Projected.”** “Federal regulators proposed cuts to payments for insurers that run private Medicare plans, with some analysts saying the reductions appeared steeper than they had projected.” (Anna Wilde Matthews, “Government Proposes Cuts To Insurers’ Medicare Payments,” [The Wall Street Journal](#), 2/21/14)

- **An Analyst At Wedbush Securities Calculated That The Overall Cuts Would Be More In Line With 7.8 Percent.** “Sarah James, an analyst with Wedbush Securities, said she calculated the overall rate cut at around 7.8%, compared with her projection of between 6% and 7%, not including an industry fee levied under the health-care law. She also didn’t see any signal that the agency was looking for ways to ease the pressure on the industry. ‘That’s disappointing,’ she said.” (Anna Wilde Matthews, “Government Proposes Cuts To Insurers’ Medicare Payments,” [The Wall Street Journal](#), 2/21/14)

## **OBAMA PROMISED THAT HE WOULD STRENGTHEN MEDICARE**

**President Obama Promised Seniors He Would “Reform And Strengthen Medicare.”** OBAMA: “Now, we do have to reform and strengthen Medicare for the long haul, but we’re going to do it by reducing the costs of care, not by asking seniors to pay thousands of dollars more while we’re giving millionaires and billionaires a massive new tax cut.” (Barack Obama, [Remarks By The President To AARP Convention Via Satellite](#), Woodbridge, VA, 9/21/12)

## ***ObamaCare's Cuts To Medicare Advantage Will Result In Higher Costs And A Loss Of Benefits For Floridians That Rely On Medicare Advantage To Satisfy Their Health Care Needs***

**Florida Seniors Will See Their Medicare Advantage Premiums Rise Or Their Benefits Fall By \$50-\$90 Per Month (\$600-\$1,080 Per Year) Due To ObamaCare's Medicare Advantage Cuts.** (Medicare Advantage By The Numbers: Florida, [Coalition For Medicare Choices](#), Accessed 3/19/14)

- **1,318,740 Floridians Are Enrolled In A Medicare Advantage Plan As Of June 2013.** (Marsha Gold, Gretchen Jacobson, Anthony Damico, and Tricia Neuman, "Medicare Advantage 2013 Spotlight: Enrollment Market Update," [The Henry J. Kaiser Family Foundation](#), 6/2013)

**Medicare's Actuaries Have Predicted That Medicare Advantage Enrollment Will Drop For The First Time Since 2004 Due To ObamaCare's Payment Cuts That Will "Cause Plans To Drop Out Or Reduce Benefits."** "About 15.9 million people, or about 30 percent of Medicare beneficiaries, are enrolled in Advantage plans this year, according to February data from the government. Next year may mark a turning point: Medicare's actuaries estimate that enrollment will decline for the first time since 2004 because payment cuts will cause plans to drop out or reduce benefits." (Alex Wayne and Caroline Chen, "Humana, UnitedHealth Face About 3.6% Advantage Rate Cuts," [Bloomberg](#), 2/21/14)

- **Insurers Say They Have Attempted To Cut Costs Without Cutting Benefits, But Eventually May Be Forced To Due To The ObamaCare Cuts.** "Aetna, which has about 1 million Medicare Advantage members, said that to keep costs in line with cuts in recent years, it has changed its network of doctors and hospitals to be more cost-effective, among other efforts. 'If you can't solve the reduction based on those activities, then you have to resort to things that are much more visible to the beneficiaries, which can range from benefit reductions, and either premium increases or the introduction of a premium,' said Fran Soistman, executive vice president and head of Government Services at Aetna." (Caroline Humer, "U.S. Health Insurers Brace For New Steep Medicare Cuts," [Reuters](#), 2/20/14)

**Last Year, Insurers Simply Eliminated Entire Plans After Medicare Advantage Rates Were Cut By Six Percent.** "Another possibility for insurers is eliminating plans and withdrawing from certain markets. Many did that last year after the government cut rates by nearly 6 percent." (Caroline Humer, "U.S. Health Insurers Brace For New Steep Medicare Cuts," [Reuters](#), 2/20/14)

## ***Seniors On Medicare Advantage Have Already Lost Their Doctors***

**"Thousands Of UnitedHealthcare Medicare Members In 10 States" Are Having Doctors "Cut From Their Plan Network."** "Dorathy Senay's doctor had some bad news after her last checkup, but it wasn't about her serious blood disorder called amyloidosis. Her Medicare Advantage managed care plan from UnitedHealthcare/AARP is terminating the doctor's contract Feb. 1. She is also losing her oncologist at the prestigious Yale Medical Group -- the entire 1,200 physician practice was axed. Senay, 71, of Canterbury, Conn., is among thousands of UnitedHealthcare Medicare members in 10 states whose doctors will be cut from their plan network." (Susan Jaffe, "UnitedHealthcare Dropping Hundreds Of Doctors From Medicare Advantage Plans," [USA Today](#), 12/1/13)

- **UnitedHealthcare Said That Medicare Advantage Funding Cuts Were To Blame For The Change Of Doctors In Plan Networks.** "UnitedHealthcare spokeswoman Jessica Pappas said in a written response to questions, 'While these changes can be difficult for patients and their doctors, they are necessary to meet rising quality standards, slow the increase in health costs and sustain our plans in an era of Medicare Advantage funding cuts.' However, the doctors dropped from Medicare Advantage plans can still treat patients covered under other UnitedHealthcare policies." (Susan Jaffe, "UnitedHealthcare Dropping Hundreds Of Doctors From Medicare Advantage Plans," [USA Today](#), 12/1/13)

**“In Florida, UnitedHealthcare Has Dropped The State’s Only National Cancer Institute-Designated Cancer Treatment Facility, The Moffitt Cancer Center And Its 250 Physicians In Tampa.”** (Susan Jaffe, “UnitedHealthcare Dropping Hundreds Of Doctors From Medicare Advantage Plans,” [USA Today](#), 12/1/13)