



Medicare Disadvantage

Obama Sold Out The Well-Being Of Seniors For His Own Political Future

OBAMA PROMISED SENIORS THAT HE WOULDN'T TARGET MEDICARE ADVANTAGE AFTER HE ALREADY GUTTED THE PROGRAM

After ObamaCare, Obama Promised Seniors That Their Medicare Advantage “Benefits Won’t Change.” OBAMA: “First and foremost, what you need to know is that the guaranteed Medicare benefits that you’ve earned will not change, regardless of whether you receive them through Medicare or Medicare Advantage. Your guaranteed benefits will not change. Eligibility won’t change. Medicare will continue to cover your costs the way it always has.” (President Barack Obama, [Remarks At A Tele-Town Hall With Seniors](#), Wheaton, MD, 6/8/10)

- **Factcheck.org: White House Ad Promising That Medicare Advantage “Benefits Will Remain The Same” Is False.** “Currently, about 1 in every 4 Medicare beneficiary is enrolled in a Medicare Advantage plan. For many of them, the words in this ad ring hollow, and the promise that ‘benefits will remain the same’ is just as fictional as the town of Mayberry was when Griffith played the local sheriff.” (Brooks Jackson, “Mayberry Misleads On Medicare,” [FactCheck.org](#), 7/31/10)

Obama Specifically Targeted Cuts In Medicare And Its Popular Advantage Program

According To The Congressional Budget Office, ObamaCare Specifically Cut \$156 Billion From Medicare Advantage. (Douglas Elmendorf, Letter To Speaker John Boehner, [Congressional Budget Office](#), 7/24/12)

- **“The Affordable Care Act (ACA) Significantly Reduced MA Plan Payments.”** (Press Release, [Avalere](#), 3/12/12)

Overall, The Congressional Budget Office Determined That ObamaCare Includes \$741 Billion In Cuts To Medicare. (Douglas Elmendorf, Letter To Speaker John Boehner, [Congressional Budget Office](#), 7/24/12)

- **ObamaCare Cut Medicare By 6 Percent.** “If the debt committee hits a dead end, the agreement between President Barack Obama and congressional leaders decrees an automatic 2 percent cut to Medicare providers. That’s on top of a 6 percent cut already enacted to finance the president’s health care law, according to the nonpartisan Kaiser Family Foundation. And the earlier cut is still being phased in.” (“Advocates, Industry Fear Debt Deal Could Open The Way For Big Cuts To Medicare And Medicaid,” [The Associated Press](#), 8/2/11)

When The Cuts To Medicare Advantage Are Fully Implemented, Seniors That Rely On The Program For Their Health Care Needs Will Be Forced To Find Care Somewhere Else

ObamaCare's Medicare Cuts Will Put Seniors At Risk Of Losing Their Medicare Advantage Benefits.

"Seniors in a number of states risk losing their Medicare Advantage benefits because of cuts in President Obama's healthcare reform law, according to a new report from Avalere." (Julian Pecquet, "Report: Health Care Law Cuts Put Medicare Advantage Benefits At Risk In Some States," *The Hill's "Health Watch,"* 3/12/12)

Medicare Chief Actuary Richard "[F]oster's Office Is Projecting That More Than 7 Million Medicare Recipients In Private Medicare Advantage Plans Will Eventually Have To Find Other Coverage.

That Would Cut Enrollment In The Popular Plans By About Half." ("Medicare Official Doubts Health Care Law Savings," *The Associated Press,* 1/26/11)

- **CMS: Enrollment In Medicare Advantage Plans Will Be Cut In Half By 2017.** "We estimate that in 2017, when the MA (Medicare Advantage) provisions will be fully phased in, enrollment in MA plans will be lower by about 50 percent (from its projected level of 14.8 million under the prior law to 7.4 million under the new law)." (Richard S. Foster, "Estimated Financial Effects Of The 'Patient Protection And Affordable Care Act,' As Amended," *CMS,* 4/22/10)
- **CMS: "The New Provisions Will Generally Reduce MA (Medicare Advantage) Rebates To Plans And Thereby Result In Less Generous Benefit Packages."** (Richard S. Foster, "Estimated Financial Effects Of The 'Patient Protection And Affordable Care Act,' As Amended," *CMS,* 4/22/10)

Medicare Providers Would Be Forced To Cut Back On Popular Provisions Such As "Vision, Dental, And Prescription Benefits."

"Many insurance companies are planning to increase costs for a range of services for seniors next year, according to consultants who have helped prepare their bids. Dozens of Medicare Advantage providers plan to cut back vision, dental and prescription benefits. Some plans are eliminating free teeth cleanings and gym memberships, and raising fees for hearing aids, eye glasses and emergency-room visits." (Janet Adamy, "HHS Warns Medicare Insurers On Rates," *The Wall Street Journal,* 6/7/10)

OBAMA STAVED OFF HIS OWN MEDICARE ADVANTAGE CUTS UNTIL AFTER THE ELECTION TO AVOID BAD PRESS

"In A Policy Shift Critics See As Political, The Health And Human Services Department Has Decided To Award Quality Bonuses To Hundreds Of Medicare Advantage Plans Rated Merely Average."

("Obama Administration Eases Pain Of Medicare Cuts," *The Associated Press,* 4/19/11)

Obama's "Policy Shift" On Medicare Advantage Expanded The Bonus Program So That Four Out Of Five Seniors Enrolled In Medicare Advantage Would See A Bonus Instead Of "Only One In Four."

"Then, in a policy shift quietly completed this month, HHS decided to grade on the curve. Average-quality plans garnering just three or three-and-a-half stars would also get bonuses, although at a lower percentage than top-tier plans. The HHS decision means four out of five Medicare Advantage enrollees are in plans now eligible for a bonus. Under the tougher approach Congress took in the health care law, only one in four would have been in plans getting the extra payments." ("Obama Administration Eases Pain Of Medicare Cuts," *The Associated Press,* 4/19/11)

- **The "Shift" Gives Seniors A Temporary Reprieve From ObamaCare's Cuts To Medicare Advantage.** "Millions of seniors in popular private insurance plans offered through Medicare will be getting a reprieve from some of the most controversial cuts in President Obama's health care law." ("Obama Administration Eases Pain Of Medicare Cuts," *The Associated Press,* 4/19/11)

- **“In 2015, The Cuts Called For In The Health Care Law Will Kick In Again.”** (“Obama Administration Eases Pain Of Medicare Cuts,” [The Associated Press](#), 4/19/11)

Obama’s “Policy Shift” On Medicare Advantage Was Blamed On “Politics”

The “Shift” On Medicare Advantage Countered Obama’s Past Rhetoric To Seniors That He Opposes “Giveaways” In Medicare That Don’t Make “Seniors Healthier.” “OBAMA: And we will do this without adding to our deficit over the next decade, largely by cutting out the waste and insurance company giveaways in Medicare that aren’t making any of our seniors healthier.” (President Barack Obama, [Remarks At A Health Care Town Hall Meeting](#), Portsmouth, NH, 8/11/09)

- **The Nonpartisan Medicare Payment Advisory Commission Advised That The Policy Weakens Incentives To Provide A High-Level Of Care.** “A nonpartisan agency that advises lawmakers on Medicare criticized the bonus plan. The Medicare Payment Advisory Commission said it amounts to ‘a mechanism to increase payments’ and its design ‘sends the wrong message about what is important to the program and how improved quality can best be achieved.’ At a time when government is urging health care providers to improve quality and cut costs, the bonus plan ‘lessens the incentive to achieve the highest level of performance,’ commission chairman Glenn Hackbarth wrote to HHS officials. Medicare spokesman Cook disagreed, saying even plans that get two stars will now have an incentive to improve.” (“Obama Administration Eases Pain Of Medicare Cuts,” [The Associated Press](#), 4/19/11)

The Wall Street Journal: “Professional Courtesy Prevents The GAO From Saying Outright That The Bonus Program Is Purely Political.” “In other words, there’s no control group to test which approaches work better. It’s a demonstration project without the ability to demonstrate. Professional courtesy prevents the GAO from saying outright that the bonus program is purely political, but the report suggests as much.” (Editorial, “Medicare’s Obama Donation,” [The Wall Street Journal](#), 4/23/12)

- **The \$6.7 Billion Cash Infusion To Stave Off The Cuts Would Avoid A “Headache For Obama” Heading Into The 2012 Election.** “The \$6.7 billion infusion could head off service cuts that would have been a headache for Obama and Democrats in the next year’s elections for the White House and Congress. More than half the roughly 11 million Medicare Advantage enrollees are in plans rated average.” (“Obama Administration Eases Pain Of Medicare Cuts,” [The Associated Press](#), 4/19/11)
- **A Quarter Of All Seniors Rely On Medicare Advantage And “Some Of The Heaviest Enrollment Is In Politically Contested States.** “Medicare covers seniors and disabled people. About one-fourth of beneficiaries are signed up in Medicare Advantage plans that offer lower out-of-pocket costs and more comprehensive benefits than the traditional program. Some of the heaviest enrollment is in politically contested states, including Florida, Pennsylvania, Ohio, Nevada, Minnesota and Colorado.” (“Obama Administration Eases Pain Of Medicare Cuts,” [The Associated Press](#), 4/19/11)

Originally Tallied At \$6.7 Billion, The Bonus Plan Has Cost Much More Than Expected

The Government Accountability Office Has Found That The ObamaCare Project “Is An \$8 Billion Waste Of Money.” “A program meant to improve care for certain seniors on Medicare is an \$8 billion waste of money, auditors from the Government Accountability Office (GAO) reported Monday.” (Elise Viebeck, “GAO: End \$8B Medicare Program,” [The Hill’s “Health Watch”](#), 4/23/12)

- **The GAO Called The Program “Poorly Designed” And Will Probably Not “Produce Meaningful Results.”** “The G.A.O. said the project ‘dwarfs all other Medicare demonstrations’ in its impact on the budget, but is so poorly designed that researchers could not tell whether the

bonus payments led to improved care. As a result, it said, it is unlikely to ‘produce meaningful results.’ Insurers can use the bonuses to offer extra benefits, like vision and dental care, or to lower premiums.” (Robert Pear, “G.A.O. Calls Test Project By Medicare Costly Waste,” [The New York Times](#), 4/22/12)

The Medicare Payment Advisory Commission (MPAC) Has Conceded That The Medicare Program Increases Federal Spending While The Long-Term Solvency Of Medicare Is In Jeopardy. “A separate federal panel, the independent Medicare Payment Advisory Commission, also criticized the project, saying it increases ‘spending at a time when Medicare already faces serious problems with cost control and long-term financing.’” (Robert Pear, “G.A.O. Calls Test Project By Medicare Costly Waste,” [The New York Times](#), 4/22/12)

- **MPAC Criticized The Program’s “Overly Broad Use Of Demonstration Authority” And That The Program’s Costs Exceed Benefits.** “The panel denounced Medicare’s ‘overly broad use of demonstration authority’ and said ‘limited Medicare dollars should go to truly high-performing plans.’ It said ‘the extension of quality bonuses to the vast majority of plans is likely to result in far greater program costs than the reward system enacted’ by Congress, and that by spreading the rewards so broadly, ‘the demonstration lessens the incentive to achieve the highest level of performance.’” (Robert Pear, “G.A.O. Calls Test Project By Medicare Costly Waste,” [The New York Times](#), 4/22/12)

GOVERNMENT REGULATORS HAVE CALLED FOR ENDING THE PROGRAM

The GAO Is Urging The Obama Administration “To Cancel The Program.” “The report, to be issued Monday by the Government Accountability Office, a nonpartisan investigative arm of Congress, urges the Obama administration to cancel the program, which pays bonuses to health insurance companies caring for millions of Medicare beneficiaries.” (Robert Pear, “G.A.O. Calls Test Project By Medicare Costly Waste,” [The New York Times](#), 4/22/12)

During An Election Year, The Obama White House Says No Way And Blames Republicans For The Program’s Failure

The Obama Administration Continues To Support The Program Despite The GAO’s Recommendations. “The administration stood by the effort, saying older Americans deserve improvements in care, even as the GAO called for the program’s end.” (Elise Viebeck, “GAO: End \$8B Medicare Program,” [The Hill’s “Health Watch”](#), 4/23/12)

- **The Obama White House “Downplayed” GAO Report Questioning The “Effectiveness Of Bonuses Distributed In A \$8.3 Billion Demonstration Program For Medicare Advantage.** “The White House Monday downplayed a Government Accountability Office report calling into question the effectiveness of bonuses distributed in a \$8.3 billion demonstration program for Medicare Advantage.” (Jake Tapper, “White House Downplays GAO Report On Questionable Bonuses Through Medicare Advantage,” [ABC News](#), 4/23/12)
- **When White House Press Secretary Was Asked Why ObamaCare Had Failed To Save Medicare, Carney Blamed Republicans For ObamaCare’s Failure.** “Asked about the failure of the health care law to shore up Medicare, Carney said ‘part of why it hasn’t worked yet is because Republicans in Congress refuse to accept the basic premise that we need to take a balanced approach to our deficit and debt reduction. They are out there telling the American people, through the Ryan Republican budget, that we need to dramatically cut taxes on the wealthiest Americans – dramatically, and we will pay for that in large part by gutting discretionary spending programs, investments in education and innovation and basic research, in infrastructure, and by ending... Medicare as we know it.’” (Jake Tapper, “White House Downplays GAO Report On Questionable Bonuses Through Medicare Advantage,” [ABC News](#), 4/23/12)

The Wall Street Journal: “The Real Game Here Is Purely Political ... If Obama Is Re-Elected, He Will Go Ahead And Gut Medicare Advantage.” “The real game here is purely political—to give a program that is popular with seniors a temporary reprieve past Election Day. Then if Mr. Obama is re-elected, he will go ahead and gut Medicare Advantage, just as the White House will give the EPA leave to impose the ozone rule, and taxes will soar.” (Editorial, “Medicare’s Obama Donation,” [The Wall Street Journal](#), 4/23/12)