Catholic Health Association of the United States

A Passionate Voice for Compassionate Care

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STRENGTHENING MEDICARE

THE ISSUE

Since 1965, Medicare has been highly successful in achieving affordable health coverage for hundreds of millions of elderly and disabled Americans. Today Medicare covers 55 million Americans, including 46.3 million individuals age 65 and older, and nine million younger adults with permanent disabilities. According to the Kaiser Family Foundation, approximately half of Medicare beneficiaries have incomes below 200 percent of the federal poverty level.

The Patient Protection and Affordable Care Act (ACA) included Medicare payment and delivery system reforms, such as value based purchasing, excess readmission penalties, accountable care organizations, payment bundling, and medical homes, which will help to reduce costs and improve the quality of care Medicare patients receive. The Department of Health and Human Services (HHS) has announced ambitious goals to move Medicare away from volume based reimbursement toward a payment system based on value. By 2016 HHS wants 85% of all Medicare fee-for-service payments to be tied to quality or value, with 30% of payments made through alternative payment models such as accountable care organizations or bundled payments. By 2018, the goal is to have 90% of fee-for-service payments linked to value and 50% paid through alternative models. Implementing these changes present both a challenge and opportunity.

In addition, changes to entitlement programs such as Medicare are a central item in efforts to reduce federal spending and the deficit. The 2% "sequestration" cut in payments to Medicare providers required under The Budget Control Act of 2011 began on April 1, 2013, and were extended for two years (through 2025) in the recent Bipartisan Budget Act of 2015. Proposals to find additional budget savings include eliminating Medicare bad debt payments; reducing Medicare funding for graduate medical education; reducing payments for post-acute care; raising the Medicare retirement age; increasing Medicare cost-sharing for all or high-income beneficiaries; and making Medicare a premium support program.

MINISTRY TRADITION

In 1965, our nation made a commitment to protect the health and well-being of seniors by establishing the Medicare program. The mission of the Catholic health ministry, in accordance with the Ethical and Religious Directives for Catholic Health Care Services, compels us to be distinguished through "service to and advocacy for those people whose social condition puts them at the margins of our society and makes them particularly vulnerable to discrimination." Continuing to preserve and strengthen that commitment to our nation's seniors is a vital component of ensuring a more just and equitable health care system.

CHA'S POSITION AND ACTIVITIES

- **Protect Care for Low-Income Beneficiaries**—CHA will work in partnership with other provider and consumer organizations to ensure that low-income seniors do not encounter reduced benefits or financial barriers to Medicare through increased subsidies, copays, or asset tests

- **Improve Medicare access and care coordination** —CHA strongly supports efforts to coordinate and integrate person-centered health care services along the continuum of care and promote greater use of medical homes, care coordinators and chronic care management, especially for those dually eligible for Medicaid and Medicare

- **Provide Adequate and Sustainable Financing—**Efforts to reduce the federal budget deficit should be equitable and balanced, and must not disproportionately impact Medicare beneficiaries and providers. Congress must continue to provide Medicare with adequate and sustainable funding to ensure the ability of health care providers, including providers of long term care services, to maintain quality and compassionate care for the 55 million Americans who rely on Medicare for their health care

- **Delivery System Reforms**—CHA supports the provisions in the ACA intended to focus our health care system on quality and outcome rather than volume. We will work with CMS and members to ensure that programs such as Accountable Care Organizations, Value Based Purchasing, Readmission Reductions and Bundling are implemented successfully, and avoid unintended consequences such as increasing disparities in care or creating disincentives to serve low-income or uninsured patients