

# **The MEDICARE FOR AMERICA Act of 2019**

The Medicare for America Act would establish the Medicare for America health program to provide universal, affordable, and high-quality health coverage to all Americans.

## **Who is Covered?**

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 Medicare for America premiums. Or, employees will have the option to choose Medicare for America 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 services and supports for Americans living with disabilities and seniors, which Medicare and private insurance do not.

## **What Does It Cost Me?**

Premiums, to be established by the Secretary, will be no more than 8% of individuals' or households' monthly income. Current Medicare beneficiaries will pay either Medicare's premium (how it is presently calculated) or Medicare for America'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 premiums or cost-sharing.

There will be no deductibles under Medicare for America. 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).

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

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

## **What Health Care Providers Can I See?**

Health Care Providers who participate in current Medicare and Medicaid remain a participating provider under Medicare for America. The Secretary would establish a process for adding more providers not yet participating in either program. Medicare for America would fix the current two-tiered healthcare system by banning private contracting. The wealthy and well-connected

currently use private contracting to pay for care from providers who do not accept health insurance and demand to be paid completely out of pocket. Meanwhile, the vast majority of Americans—who rely on their health insurance to defray the high cost of care—cannot afford to receive care from these providers.

### **How Are Health Care Providers and Services Reimbursed?**

Medicare for America's rates for health care providers and services would be based on current Medicare and Medicaid rates, while proactively increasing rates for primary care and other mental and behavioral health and cognitive services. The Secretary has the authority to raise rates as needed to ensure there are no barriers to care. In our current system, far too many individuals cannot get the care they need because reimbursement rates are too low.

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

Medicare for America would end the Big Pharma giveaway banning Medicare from negotiating drug prices. Under Medicare for America, the Secretary will negotiate prescription drug prices. Additionally, Medicare for America 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 a separate premium if they cover additional benefits. Medicare Advantage plans would also pay Medicare for America rates for benefits and services. 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 sunsetting 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 Medicaid.

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.