

Siuslaw News
 P.O. Box 10
 Florence, OR 97439

Opinion

A Brexit-style exit from Medicare Legacy is reason for concern

The new administration's promise to move toward "Medicare Reform" and repealing the Affordable Care Act (ACA) will be costly in ways that stretch well beyond dollars.

The ACA, passed in 2010, significantly strengthens Traditional Medicare. Revenue sources were added to the Trust Fund.

The ACA removed Congressional blocks to lessen expensive subsidies paid to private health plans. Payments were reduced and benefits improved. This includes closing Enrollee Part D drug "doughnut hole" costs by 2020.

Repeal of the ACA undercuts Medicare solvency, raises Enrollee costs and shrinks benefits.

An institution since 1964, Medicare cares for 57 million seniors and people with disabilities. Enrollees, future seniors, along with their adult children, must cope with grave uncertainties if this radical transformation goes ahead.

Over six major GOP proposals seek direct ACA repeal,

either disposing of Medicare improvements in whole or part, or radically transforming Medicare away from a "defined benefit" institution to a "defined contribution" membership plan.

This re-centers Medicare around private insurance companies with limited provider networks similar to HMO/PPO's, such as an expanding "Medicare Advantage" program.

President Trump's Secretary of Health and Human Service nominee, Rep. Tom Price, introduced the "Empowering Patients First Act" in May, 2015, repealing all ACA provisions.

The Republican Study Committee, in January, introduced "The American Health Care Reform Act," fully repealing the ACA.

Then, in 2016, Speaker of the House Paul Ryan introduced his policy memorandum "A Better Way..." setting out Medicare transformation via premium "support" payments and promoting Enrollees to search out competing policies.

This was documented by the

GUEST VIEWPOINT
 BY RAND DAWSON
 FLORENCE RESIDENT,
 RETIRED LITIGATION LAWYER FOR INSURANCE COMPANIES

non-partisan "Kaiser Family Foundation" (Jan. 18, 2017) in a table outlining GOP repeal proposals.

One can be excused for not appreciating "back-door" details repealing Medicare via the ACA.

"Repealers" are silent as to specific impacts. Instead, their gilded language touts buzz words like "choice," "flexibility," "modernization," "vouchers," "premium support," all the while forecasting "insolvency" if traditional Medicare continues.

All the while, Medicare's long history offering defined benefit levels and improved national healthcare quality at reduced costs is being ignored.

AARP (formerly American Association of Retired Persons) took due notice in its December 2016 "Letter to Congress," in which it spoke against ACA repeal, saying:

"The Medicare Part A Trust fund is solvent until 2028, due in large part to changes made in ACA. We urge you to maintain provisions ... that ... strengthened Medicare's fiscal outlook without shifting costs to beneficiaries or cutting benefits..."

Medicare is our most ambitious platform seeking effective health cost and quality controls. Internationally respected healthcare economist, Uwe Reinhardt, said, "Per capita health costs for people with Medicare have grown (annually at) 1.5 percentage points less than private insurance from 1969 through 2012. This is something the "conservative" American Enterprise Institute calls "Soviet-style pricing."

Payment rules are tied to care quality.

In 2017, six Oregon hospitals face cuts after high rates

of patient injuries from infections, bed sores, falls and nationwide, 769 hospitals were penalized.

Private insurers lack this leverage.

At individual level, it plays a vital role. In 2015, 98.9 percent of adults age 65 or older had health coverage, accounting for nearly one-fourth of U.S. personal health expenditures.

Enrollees are not "free riders."

From average annual incomes under \$25,000, they spend one of every six dollars on health care.

A stable Medicare national membership "risk pool" forms the essence of sustainable risk-sharing, lowering average costs.

Insurance history teaches primacy of the "80-20 Rule." in which 20 percent of sicker members account for 80 percent of costs. Keep in mind that 5 percent of U.S. population consumes 50 percent of health care spending.

Narrowing the Medicare Enrollee "risk pool" promotes insolvency.

Ryan's Medicare age increase instantly shrinks the "risk pool" leaving more costly, sicker members, and rising premium.

Another Ryan element is private plans such as Medicare Advantage, subsidized by the public trust, attracting younger, healthier Enrollees out of Medicare.

In Oregon, 44 percent of Medicare-age Americans are in private plans, the second highest nationally.

This promotes an "adverse selection" trend: as pool size shrinks, doctors decline new Medicare patients; Ryan's limited "premium support" is unlinked to health cost inflation.

As such, a death spiral ensues from a shrinking, more sickly membership, facing higher cost-sharing.

Political support for traditional fee-for-service Medicare then withers.

The Public should be alarmed and community leadership should take notice.

— Rand Dawson is a Siltcoos resident with long interest in health care reform.



LETTERS

THINGS EACH OF US CAN DO
 As part-time residents of Florence for the past 25 years, nothing has made us prouder of our fair city than to see how many of our fellow citizens took to the streets to peacefully express their beliefs in the values on which this country was founded.

And we were particularly heartened by Bob Orr's guest editorial (Jan. 25) which helped remind us all that there is more at stake here than differing political opinions, and that there are things each of us can do every day which improve everyone's quality of life.
*Carole and Mike Babcock
 Florence 97439*

USE HEADLIGHTS
 Now that I almost got broadsided by a fast-moving powder blue pickup in the gray rain, I have to ask: Why don't more people use their headlights in this town?
 Apart from the safety factor related to limited

visibility based on the weather and natural light — particularly on cloudy and gray days — isn't it a law that people will use their headlights when it's dusk, dark, early morning, raining... or just because?
 Thank you for considering my question.
*Ivy Meadow
 Florence*

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John Bartlett
 Jenna Bartlett
 Ned Hickson
 Susan Gutierrez
 Cathy Dietz
 Ron Annis
 Jeremy Gentry

Publisher, ext. 327
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 Editor, ext. 313
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WHERE TO WRITE

Pres. Donald Trump
 The White House
 1600 Pennsylvania Ave. NW
 Washington, D.C. 20500
 Comments: 202-456-1111
 Switchboard: 202-456-1414
 FAX: 202-456-2461
 TTY/TDD Comments: 202-456-6213
www.whitehouse.gov

Gov. Kate Brown
 160 State Capitol
 900 Court St.
 Salem, OR 97301-4047
 Governor's Citizens' Rep.
 Message Line 503-378-4582
www.oregon.gov/gov

U.S. Sen. Ron Wyden
 221 Dirksen Senate Office Bldg
 Washington, DC 20510

202-224-5244
 541-431-0229
www.wyden.senate.gov

U.S. Sen. Jeff Merkley
 313 Hart Senate Office Bldg
 Washington, DC 20510
 202-224-3753/FAX: 202-228-3997
 541-465-6750
www.merkley.senate.gov

U.S. Rep. Peter DeFazio (4th Dist.)
 2134 Rayburn HOB
 Washington, DC 20515
 202-225-6416
 541-269-2609/ 541-465-6732
www.defazio.house.gov

State Sen. Arnie Roblan (Dist. 5)
 900 Court St. NE - S-417
 Salem, OR 97301

503-986-1705
 FAX: 503-986-1080
 Email:
Sen.ArnieRoblan@state.or.us

State Rep. Caddy McKeown
 (Dist. 9)
 900 Court St. NE
 Salem, OR 97301
 503-986-1409
 Email:
rep.caddymckeown@state.or.us

West Lane County Commissioner
 Jay Bozievich
 125 E. Eighth St.
 Eugene, OR 97401
 541-682-4203
 FAX: 541-682-4616
 Email:
Jay.Bozievich@co.lane.or.us