

# Resolution to phase out Medicare Advantage (MA) programs and move to a single-payer system, Medicare for All

**WHEREAS** healthcare is a basic human right.

**WHEREAS** Medicare Advantage (MA) is, at its roots, a privatization of a federal program, Traditional Medicare (TM). More than half of eligible TM are enrolled in MA plans.<sup>1</sup>

**WHEREAS** MA denies coverage by putting a non-medical approval process between the client and their doctor,

**WHEREAS** MA insurers siphon off between \$88 billion to \$140 billion through overpayments from Medicare each year into their plans. This money could have been used for direct treatment payments under TM. These billions of dollars hasten the depletion of the Medicare Trust Fund.<sup>2</sup>

**WHEREAS** there are three gaps in TM:

- A 20% co-pay.
- No out-of-pocket cap on the co-pay.
- No coverage for vision, dental, and hearing.

**WHEREAS** overpayments to MA insurers could cover hearing and vision care for every American over 65 under TM.

**WHEREAS** it is widely known that overhead costs for MA programs are around 20%, while TM's overhead expenses are about 2%. This demonstrates that MA is a massive transfer of TM dollars to the private sector.<sup>3</sup>

**WHEREAS** Traditional Medicare (TM) provides a large choice of physicians while avoiding MA's restrictive networks and prior authorizations.<sup>4</sup>

**WHEREAS** once an insured has opted for an MA plan, return to TM is, for all intents and purposes, impossible without the insured having to take on great financial risk.<sup>5</sup>

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<sup>1</sup> Physicians for a National Health Program, [HANDING PUBLIC HEALTH CARE TO PRIVATE INSURERS: The Dangers of So-Called "Medicare Advantage"](#); KFF, [Medicare Advantage in 2023: Enrollment Update and Key Trends](#), August 9, 2023.

<sup>2</sup> Jaisri Lingappa, "[Why People on Medicare Advantage Should Support Leveling the Playing Field](#)," Retiree Advocate, PSARA Education Fund, January 2024.

<sup>3</sup> Comparing administrative costs for private insurance and Medicare, Politifact, September 2017, <https://www.politifact.com/factchecks/2017/sep/20/bernie-sanders/comparing-administrative-costs-private-insurance-a/>; What to Know about Medicare Spending and Financing, KFF January 19, 2023 <https://www.kff.org/medicare/issue-brief/what-to-know-about-medicare-spending-and-financing/>.

<sup>4</sup> Matthew Cunningham-Cook, "[The Medicare Advantage Trap](#)," *The American Prospect*, Nov. 29, 2023.

<sup>5</sup> Matthew Cunningham-Cook, "[The Medicare Advantage Trap](#)," *The American Prospect*, Nov. 29, 2023.

**WHEREAS** MA insurers deceive taxpayers with false advertising and by overcharging them, while proffering exaggerated or false diagnoses (up-coding) to justify payments from the Medicare trust fund.<sup>6</sup>

**WHEREAS** MA insurers regularly deny treatment that would otherwise be covered under (TM) in order to make a profit.<sup>7</sup>

**WHEREAS** Medigap policies, which cover the 20% that TM does not pay, may be prohibitively expensive.<sup>8</sup>

**WHEREAS** the Medicare Hospital Insurance Trust Fund is heading for depletion by 2028.<sup>9</sup>

**WHEREAS** Medicare is spending 6% more for an Advantage enrollee than it would have if that person had been in Traditional Medicare.<sup>10</sup>

**THEREFORE, BE IT RESOLVED**, that Whatcom Democrats call on the President and Congress to phase out Medicare Advantage programs and return to an enhanced Traditional Medicare/Single Payer system for all.

- Phasing out all MA programs and returning all Medicare insureds to Traditional through a detailed transition process.
- Moving to a single payer national health plan: Medicare (TM) for All.
- Adding vision, hearing, and dental coverage to Medicare for All.
- Eliminating the 20% co-pay.

*Adopted unanimously (70 to 0) at the 24 February 2024 General Membership Meeting of Whatcom County Democrats.*

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<sup>6</sup> Jaisri Lingappa, "[Why People on Medicare Advantage Should Support Leveling the Playing Field](#)," Retiree Advocate, PSARA Education Fund, January 2024; Physicians for a National Health Program, [Medicare Disadvantage](#).

<sup>7</sup> Physicians for a National Health Program, [Medicare Disadvantage](#).

<sup>8</sup> Matthew Cunningham-Cook, "[The Medicare Advantage Trap](#)," *The American Prospect*, Nov. 29, 2023.

<sup>9</sup> Centers for Medicare and Medicaid Services, Memo: [Medicare Hospital Insurance Trust Fund Depletion in the Fiscal Year 2024 President's Budget](#), March 9, 2023.

<sup>10</sup> Don Lee, "[Medicare Advantage was meant to curb federal healthcare spending. It's costing more instead](#)," *Los Angeles Times*, May 9, 2023.