



**Congress of the United States
House of Representatives
Washington, DC 20515**

Health Insurance Reform Mythbuster - 'Reform Will Undermine Health Care for America's Seniors, Slashing Medicare'

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Health insurance reform opponents continue to spread myths, including the notion that Republicans are fighting to protect seniors from Medicare changes.

In fact, the legislation improves care and benefits under Medicare and extends Medicare solvency.

But in the hypocrisy file: over the years, Congressional Republicans have made no effort to hide their attempts to gut Medicare – from then-Speaker Newt Gingrich proudly declaring that Medicare would wither on the vine in 1995 to the Ranking Republican on the House Budget Committee this year proposing that Medicare be completely privatized within 10 years.

MYTH: *The President's health insurance reform bill will undermine health care for America's seniors –slashing Medicare by \$500 billion.*

FACT: Nothing in the Democrats' health insurance reform reduces Medicare benefits for seniors. The reform achieves savings by cracking down on inefficiency, fraud and waste in Medicare – targeted at private insurance companies and providers, not beneficiaries.

These savings include cutting large and unnecessary overpayments to private insurance companies that offer Medicare Advantage plans. Rather than undermining Medicare, this bill strengthens Medicare. Much of the cost savings achieved are reinvested into

Medicare – improving benefits and extending the life of the Medicare Trust Fund by nine years.

It is estimated that up to 20 percent of Medicare spending, as well as private health care spending, goes to waste, inefficiency, fraud, and unnecessary procedures. It is this spending that is targeted for elimination in this bill. The Medicare savings in the bill are simply a 5 percent reduction overall in what Medicare is expected to spend over the next 10 years.

It is highly hypocritical that Republicans are now claiming to be champions of Medicare. It was GOP Speaker Newt Gingrich who said that, under his plan, Medicare “is going to wither on the vine” and it was GOP Majority Leader Dick Armey who said that Medicare was “a program I would have no part of in a free world.” This was at the time that they were trying to enact a bill that would have gutted Medicare -- cutting Medicare by hundreds of billions of dollars in order to pay for massive tax cuts for the wealthy. (Fortunately, President Bill Clinton vetoed the bill.)

Now, once again, Republican Congressman Paul Ryan of Wisconsin, the Ranking Republican on the House Budget Committee, has put forward a budget plan that would undermine Medicare. The Ryan plan would: 1. for those 55 and under, completely privatize Medicare – where people are given fixed vouchers and told to buy their own private insurance; and 2. for those currently covered by Medicare, cut Medicare spending by about \$650 billion over the next 10 years – significantly bigger Medicare savings than in the Democratic plan.

Democrats are committed to protecting and strengthening the Medicare program for America’s seniors. Medicare is a sacred trust with Americans and our health insurance reform plan will ensure that trust is preserved.

Currently, billions of dollars are lost each year to waste and inefficiency in the Medicare system. The waste is driving up seniors’ health care costs and threatening Medicare’s long-term solvency. Some of the ways that our health insurance reform plan targets inefficiency and waste in Medicare include:

- Saving over \$150 billion by targeting wasteful Medicare payments to private insurers – putting Medicare Advantage plans and traditional Medicare on a level playing field by eliminating overpayments to Medicare Advantage plans.
- Reducing over-billing by providers.
- Cutting out duplicative paperwork and tests.
- Cracking down on abuse from those who fraudulently bill Medicare.
- Preventing dangerous hospital readmissions by providing follow-up care that will help individuals safely transition home after a hospital stay.

Furthermore, under our plan, much of the Medicare savings are then re-invested into improving Medicare. Our bill protects seniors by improving Medicare benefits and strengthening the fiscal stability of Medicare over the long term, as seen below:

BETTER MEDICARE BENEFITS:

- Lowers prescription drug costs for millions of seniors by gradually completely closing the so-called “donut hole,” the coverage gap in the Medicare prescription drug benefit.
- Ensures free preventive care under Medicare – eliminating deductibles and copayments for preventive services.
- Includes numerous delivery system reforms that reward the value of care, not the volume of care, while at the same time improving the quality of care – including such steps as promoting Accountable Care Organizations, patient-centered Medical Homes, and payment bundling for services.
- Invests in expanding the medical workforce so seniors will have more doctors to choose from and an easier time getting an appointment.

STRENGTHENED FINANCIAL STABILITY OF MEDICARE

- Extends the solvency of the Medicare Trust Fund by nine years.