

Updated NRLN White Paper on Subsidies to Insurance Industry for Medicare Advantage

I have updated the NRLN's white paper for 2021. The title is: ***It is time to end taxpayer subsidies to the private healthcare insurance industry*** for Medicare Advantage (MA) plans. Click here to read the document. <https://nrln.org/wp-content/uploads/2021/11/WP-Time-to-End-Taxpayer-Rebates-to-Private-Healthcare-Insurance-Industry-110121.pdf> Or go to www.nrln.org, click on the Legislative Agenda tab, select White Papers and click on top posting in the healthcare section. Click here to read the talking points. <https://nrln.org/wp-content/uploads/2021/11/TP-Time-to-End-Taxpayer-Rebates-to-Private-Healthcare-Insurance-Industry-110121.pdf>

The NRLN supports competition from private healthcare plans and understands the financial challenges ahead for Medicare and the federal budget. However, we do not support bonus and rebate subsidies, or anti-competitive restrictions placed on the original Medicare Fee-for-Service (FFS) just to preserve the notion that private insurance plans may be more cost effective or provide better care than FFS, when the record shows they are not.

Congress gave \$41.8 billion in illegitimate taxpayer rebates to private insurance companies in 2021 (\$450 billion in 24 years) to provide special benefits such as dental, vision and hearing, over the counter drugs and carpet cleaning to 24.9 million MA enrollees that 40 million original Medicare participants are not eligible to receive.

To be very clear, the NRLN supports retirees getting a good deal. As long those in MA plans stay healthy it may cost less out-of-pocket, but MA plans create more long-term risk. Rumbblings about poor coverage and unpaid claims are already bubbling. The problem is, lie about it or not, healthcare costs/enrollee are skyrocketing, and MA costs are higher than original Medicare - subsidies deceive us. Soon, everybody in America will pay a heavy price for this congressional maleficence. So far, at least \$450 billion and counting.

It's obvious MA (with various names) was created by members of Congress to privatize Medicare based on private insurers saying they could be competitive with original Medicare. In 2021, MA payments were 104% of the cost for original Medicare Fee-for-Service per enrollee and over the 24 years, THEY NEVER HAVE been below 100%!

Medicare Advantage rebates cost taxpayers \$140 per month per enrollee (\$1,680 annually) in 2021. That compares with rebates of \$81 per month per enrollee (\$972 annually) just five years ago in 2016.

It's time for Congress to end the subsidies and level the playing field for participants in the two programs.

Bill Kadereit
NRLN President