Medicare Extra for All Fact Sheet

In late February 2018, the Center for American Progress, a Democratic Party corporate-funded think tank, unveiled a new healthcare reform proposal, "Medicare Extra for All." While it sounds positive on the surface, the proposal falls far short of National Improved Medicare for All (NIMA) and would further entrench the private insurance industry in our healthcare system.

Here is what you need to know about "Medicare Extra" compared to National Improved Medicare for All:

1. **Private and for-profit health insurance:**
   Medicare Extra maintains a central role for private health insurance in our healthcare system by expanding the current Medicare system, including its for-profit "Medicare Advantage" plans, to more people while keeping all the other private and for-profit health insurance plans that exist (employer-based insurance, TriCare for the military and plans for federal employees).
   National Improved Medicare for All knocks private and for-profit health insurers to the sideline where they can only provide supplemental plans.

2. **Cherry-picking:**
   Medicare Extra allows private and for-profit health insurers to continue to cherry pick the healthiest enrollees, leaving those who require more health services to public health insurance. This allows private insurers to make large profits by collecting premiums but paying for less care and places the public insurance under a greater burden of paying for more care.
   National Improved Medicare for All ends cherry picking. All people are in the same system, which is non-profit, where they receive the same comprehensive coverage.

3. **Out-of-pocket costs:**
   Medicare Extra continues to require co-pays and deductibles before health insurance benefits begin. For decades, research has shown that these out-of-pocket costs create financial barriers to care, result in worse health outcomes and increase administrative costs. A February 2018 survey found that 64% of mostly insured people delayed or avoided health care in the past year due to cost.
   National Improved Medicare for All eliminates financial barriers to care.

4. **Coverage:**
   Medicare Extra only provides partial coverage. Except for people at the lower end of incomes, families will still be required to pay as much as 20% of their medical bills on their own. This expense means that costly care, such as surgeries, may still be unaffordable.
   National Improved Medicare for All provides 100% coverage. It is paid for up front through progressive taxes so that no matter what a person needs, they will not be charged an additional fee for it.

5. **Payment system:**
   Medicare Extra uses disproved alternative payment mechanisms such as bundling – paying a set amount based on a health condition rather than paying for the care that a patient requires.

Bundling incentivizes health professionals and facilities to provide less care, rather than what patients need.
National Improved Medicare for All uses standard payment mechanisms that incentivize health professionals to focus on what their patients need without concern over whether they will be paid sufficiently.

6. **Administrative savings**:
Medicare Extra claims that administrative savings will make health insurance premiums more affordable, but it maintains an administratively complex system of hundreds of health plans. Remember that the Affordable Care Act was also sold as affordable, but healthcare spending continues to rise because the complexity and for-profit motives remain.
National Improved Medicare for All streamlines administration by having one plan with one set of rules and removes all investor profits from the entire system (insurance, providers, and facilities).

ALERT: Medicare Extra uses its inclusion of long term care as a selling point. NIMA also includes long term care. Including long term care in Medicare Extra does not make up for its significant problems of keeping privatization, profits, financial barriers and complexity in our healthcare system. NIMA is simple – everyone is in, all medically-necessary care is covered and there are no financial barriers to care.