Medicare C – The Advantaged Replacement for Obamacare
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The Executive Summary:

Congress should scrap Obamacare (ACA) and act to extend Medicare Advantage (MAP) to cover Obamacare subscribers and the 30 Million uninsured U. S. citizens. One of the largest and most successful public/private partnerships in the world is the ongoing working relationship between the Federal Government and the Insurance Industry, Health Maintenance Organizations and the medical community. Currently this "partnership" takes care of the health care services for over 112 Million Americans, 16.8 Million of which are covered by a Medicare Advantage. Unlike Obamacare, MAP has been successful from the start. It is comparable to Employer sponsored insurance plans, relatively affordable, cost effective and inclusive of all the players in the healthcare business.

MAP is currently available to all those people covered by traditional Medicare, largely those citizens who are age 65 or older and/or disabled. Obamacare only covers approximately 9 Million people, roughly half the number of those covered by MAP. Obamacare is expensive and imploding. The repeal of ACA should dismantle all the wreckage of these plans and start fresh by extending the Medicare Advantage Plans to all persons, who are Not enrolled in Medicaid, Medicare A and B or Employer Group Insurance Programs. In other words, Congress should fill the uninsured gap with Medicare Advantage (Medicare C) and leave in place and unchanged all the other entitlement medical benefit programs. Congress should STOP trying to reinvent the wheel! It should fund the cost of extending Medicare Advantage out of the Medicare Trust Fund (in the traditional pay-as-you-go manner) with some additional government subsidies, appropriate tax credits and targeted financial incentives for low income citizens. Congressional Budget Reconciliation Rules should be nuclearized to allow for this real and important solution to the problems with Obamacare.

The Federal Government has already solved all the problems with Obamacare. Medicare A, B and Medicare C (Medicare Advantage) are known quantities. Almost everything the Federal Government, the insurance companies and HMO's need to administer an MAP Extension is already in place. Congress has already done the heavy lifting! To reiterate, a Medicare C – Medicare Advantage Extension will strategically leave the U.S. with Medicaid Plans for the poor; Employer Plans for the working; Medicare A, B and D Plans for the elderly and MEDICARE C - ADVANTAGE PLANS for every other citizen who is not enrolled in these other programs, wants health insurance coverage and is willing to pay their fair-share for the MAP Plan of their choice. With this solution, there will be NO permissible excuse for NOT signing up for a healthcare plan and NO practical reason for other U. S. citizens to pay more for those people that don't.

Justification for a Medicare Advantage Plan Extension as the Replacement of Obamacare

The Federal Government currently manages and largely finances Medicare Part A, Medicare Part B, Medicare C - Advantage Plans and Medicare Part D. It also has a hand in all of the State Medicaid Plans and the Federal Employees Health Benefits Program (FEHP). FEHP is one of the largest Employer sponsored choice of comprehensive group health insurance benefit programs. The FEHB Program allows insurance companies, employee associations, and labor unions to offer comprehensive health insurance plans to governmental employees, often with a high and a low benefit option, from which the Federal employees choose in an annual open enrollment. The program is considered to be a system of "managed competition" through which health plans compete for the enrollment of all the full time civilian Federal employees, including the members of Congress. The program is administered by the U.S. Office of Personnel Management (OPM).

FEHP was once considered to be the model for how a national health plan should be structured. In fact, as you can see, there are elements of FEHP that are like the ACA. These include an offering various Plans, by more than one carrier, an annual enrollment, a set of benefit standards and protocols that the various carriers must meet, etc. So where did ACA go wrong? I do believe the architects of Obamacare decided it was their day in the Sun. They had to go further than FEHP and dictate to the insurance company's what plans they could offer and how those programs would be marketed, administered and paid for. For example, they loaded the ACA benefit plans making all the plans costlier. And then, they discouraged consumers from buying the so called Low Option "non-credible", low cost health insurance plans. Secondly, the Federal Government did not build in any real competition between the prospective carriers. My guess is their requirements were so difficult for the insurance carriers to meet, that they eliminated competition in the market place by design. Thirdly, as Obama has so famously been quoted, he did Not always allow people to keep their health plan, as he publicly promised he would. And finally, they insulated the carriers from taking some actual risks and financial losses from offering their programs.

The Federal Government obviously failed with ACA but, as the tax payers may have expected, the FEHP program, providing Congress with health insurance is still intact and operating as effectively as it ever did. It currently covers some 2.75 Million Federal employees without issue and FEHP participants, including Obama and Congress are exempt from Obamacare. Do I need to argue the fact that the Federal Government does everything well?

With the exception of Obamacare, the Federal Government currently over-sees and pays for most all of the above-mentioned healthcare programs more efficiently than any other public/private partnership in any industry anywhere in the World! And, as you may know, these combined programs now cover over 115 Million people and this "public/private partnership" is one of the largest insurance operations on the planet Earth. This system handles health services of the highest quality. Furthermore, these Federal Insurance Programs and the private employer sponsored insurance programs like them, work in such a manner as to encourage the continued development of highest quality health technology and procedures. This secures the

positon of the United States as the leading power of all the Nations when it comes to healthcare. That is why so many wealthy privileged people from all over the Globe, come to the U.S. to receive their healthcare. We are practically the only private healthcare insurance market left in the World. And, when it comes to healthcare, we are the envy of the World.

So, with all this power and experience, why is it so difficult for Congress to come up with a plan to Repeal and Replace Obamacare and how did they create this mess in the first place? First of all, per the admission of Representative Nancy Pelosi, Congress had to pass the ACA Bill before the Representatives were allowed to read what was in it! And they did that. In my humble opinion, it is also because the Republicans are taking the same approach as did the Clinton/ Obama teams. As it is written in the Bible, we human beings do not remember what has happened in the past. This includes forgetting everything we have done Right. If we can change and decide to build on what we have done right in the past, we can create a stable and prosperous future for America in every way. This is what we should be doing to fix the health insurance system in the United States. We should not be in partisan fights about this vital program. We must unite behind the common cause of extending healthcare coverage to every American and delivering on President Trump's promise to make things better for everybody.

In my opinion, Paul Ryan's Bill to Repeal and Replace Obamacare proposed to change too little of the Obamacare Program. The Republicans just wanted to rush it, get rid of the taxes and a couple of other provisions so they could claim a win in Trump's first 100 days and seemingly make good on a campaign promise. As an example, just one of the important things that were Not included in Ryan's Bill was the repeal of the essential Obamacare basic benefit package. The Freedom Caucus and insurance executives clearly exclaimed that the Obama Plan architects unnecessarily loaded the basic benefit package. Everybody knows that. This is one of the reasons the Obamacare Plan options ended up being too expensive for many of the citizens that they were supposed to insure. This contributed to a decline in enrollment and the need for many carriers to pull out of certain geographic areas. Let's start a new!

<u>Background on the Medicare Advantage (MAP) Alternative</u>

The insurance carriers all know Medicare Advantage and some of them currently offer Medicare Advantage Plans throughout our nation. They know how to pay providers under MAP. They have designed their MAP Plans to be both affordable and cost effective. The seniors that have joined the program have an excellent selection of benefit plans.

A colleague of mine, Kevin Knauss, is an independent health insurance agent in Sacramento, CA. He is a Certified Agent for the Covered California Program and very knowledgeable about Medicare Advantage. He did some research in 2012 on how the Federal Government paid insurance carriers for MAP subscribers in the greater Sacramento area. He concluded that the Federal Government paid MAP insurance carriers about the same premium rates that employers paid their insurance carriers for their high quality comprehensive major medical group plans. I assume that these premiums rates (in the Metro Sacramento area) are like other

urban metropolitan areas in this great Country. Consequently, it is reasonable to conclude that Medicare Advantage Plans are generally affordable and cost effective nationwide.

This conclusion is further supported by the fact that United Healthcare, BlueCross BlueShield, Humana and other major carriers are very active in the Medicare Advantage marketplace and have somewhat flourished over the years administering this Program. Nearly 30% of all Medicare eligible(s) have selected MAP as their preferred benefit program. In a Public Broadcasting System (PBS) News Special Report on MAP programs in 2015 (even as Obama was cutting the Federal MAP subsidies with the passage of ACA) the insurance industry said it was getting closer to the day when MAP's would be fully funded on the profits from their network efficiencies and their skilled management of health risks. This is exactly what every knowledgeable Congressional Representative should want to hear about a program covering people's healthcare services in America! It doesn't ever get any better than this. We must never forget that to continue the progress that we have made in the delivery and the finance of healthcare, we must continue to integrate the insurance industry into the equation and give them the incentive to make money administering the healthcare benefit programs that we need for our people. The Government's role should be to finance and regulate Only. The insurance company's role is the management and mechanics. A lot of Government functions, like promoting the plans and the operation of insurance exchanges, are duplicative under ACA and should be eliminated. MAP does not need these functions to be successful.

In the last 50 years the Insurance industry, medical community and the Federal Government's improvements, innovations and efficiencies include the development of HMO's, IPA's and PPO's, DRG's and Capitation Reimbursement, Risk Sharing, Medicare Improvement, Managed and Preventive Care, MAP and PDP benefit enhancements and coverage for routine care. These have all contributed to the quantum leaps we have taken to control the cost and improve the quality of health care in this Country. And, when we hear the insurance industry saying that their improvements in these areas will reduce or eliminate the administrative cost of their programs at some point in the future, we should all stand up and applaud. There is precious little more that should be asked or expected.

Even with the knowledge of all these significant developments, from my unabashed naïve perspective, except for medical and surgical technology, nothing much in healthcare has really changed. We are just reshuffling the deck. We have organized things a little differently. We paid for things a little differently. We have concentrated on certain things that we knew were more important than other things, but nobody in their right mind would agree that the basic components of the healthcare system have changed much. For example, we still have diseases and illness conditions to treat, hospitals to treat them and medical professionals to over-see the treatments. We still need to pay for these services. And, we need to do so efficiently and more than adequately to continue the development of our professional and technological expertise and the gains we have achieved in public health, longevity, quality of life and standard of living.

Clinton Care and Obama Care both tried to squeeze all of these elements of the health care system into a big box. They acted as though they were trying to improve the way we buy cars,

ignoring the fact that we already have and continue to benefit from the greatest healthcare system on Earth. I bet the architects involved in the development of these programs never asked the insurance industry or the medical profession for advice to any appreciable degree. Hillary Rodham Clinton didn't know how a teaching hospital was unique until after she finalized her health plan. And, the Obama team never met a benefit they didn't like. Barack Hussain Obama originally proposed incorporating short term income disability into the basic ACA benefit plan. Their attitude was that the Government could do the job better and that the insurance industry was part of the problem.

Medicare A and B were huge windfalls of income for the BlueCross BlueShield and other insurance companies when they were first enacted. Their projected costs were hugely underestimated by the Government at the time. I am sure this time around, the insurance carriers expected a lot of new business (income partially guaranteed by the Government) and they were more than willing to stand by and let the Obama Administration saddle the tax payers with a bloated ACA program. Please don't get me wrong. I am sure the requirements of Obamacare were very difficult for the insurance companies to implement, especially with the difficult time frame and the botched initial enrollment. But even so, when everything was said and done it wasn't the insurance carriers that let us down, and caused the ACA program to fail. It was the Design of the program.

<u>The Background on Medicare Part C</u>

If you were working in healthcare 25 years ago, as I was, you may remember that just prior to the legislative defeat of the Clinton Care Program (which had morphed into a Hodge-podge of Congressional proposals) the movers and shakers in Washington floated the idea of creating a Part C of Medicare. Prior to that time, our Government had passed Medicare Part A and Medicare Part B. When Medicare Part C was suggested, it was the straw that broke the camel's back. I believe the insurance industry balked at adding a Medicare Part C, mainly because it looked like a government take-over of the private health insurance business, which at the time had hundreds of insurance companies and thousands of benefits plans that were being actively sold to the public. The result was that a majority in Congress did not want the Government to further encroach upon the then free-market of the healthcare business. And, the idea of a Medicare Part C as a national health plan legislatively died along with the rest of Clinton's hybrid health care plans under Congressional consideration.

Five years later, in 1997, albeit a decade too late, Congress enacted the Balanced Budget Act which brought to life the first (MAP) demonstration programs under a Part C of Medicare. At the same time, Congress introduced the name Medicare+Choice to define this new breed of Medicare Benefit program. Demonstration Medicare+Choice insurance programs were started throughout the Country. The Department of Health and Human Services (HHS) and the insurance industry slowly gained the experience necessary to administer and make these alternative benefit plans available to our seniors. In 2003, George W. Bush further supported this activity with Congressional action to pass the Medicare Prescription Drug Improvement and Modernization Act. This … Modernization Act changed the name of Medicare+Choice to

Medicare Advantage (MAP) as the Part C of Medicare and added the first senior's Prescription Drug Program (PDP) as a Medicare Part D. Hence, we now have a Four Part Medicare program. This consisting of Medicare Parts A, B, C and D.

This Legislation (in 2003) recognized and further codified the Medicare Advantage Plans and the PDP. In so doing, Congress acted wisely. Now almost a quarter of a Century has past and we still have 30 Million Americans, who don't buy health insurance. And, at this late date, I am trying desperately to convince you that what the Congress did in 1997 and 2003 is the Right answer for Repealing and Replacing Obamacare Today. If Clinton had started with the Medicare Part C idea, maybe that would have become the law back in 1997. In 2003, if Congress had decided to extend Medicare C to all the citizens that needed it, maybe we would not be having this debate Today.

Fortunately, Congress has now had almost 20 years of experience with Medicare C. The Congress successfully and quietly expanded the Medicare Part C Program. But we ONLY did it for seniors. Now it is our turn in the 115th Congress to finish the job and make up for the health insurance mistakes that we, as a nation, have made in the past. You have the opportunity to build on the success that we have had with Medicare (Part C in-particular) and extend MAP to the rest of our citizens, as some Representatives in Congress originally intended. How many Parts of Medicare do we need to cover our population with health insurance? More than Four (4) Medicare Plans? I don't think so!

It seems to me that Four Parts of Medicare ought to be enough! Just for a moment sit back and contemplate the success that MAP has had over the last Fifteen (15) years. As I stated, these Plans now cover over 16 Million of our most vulnerable citizens. There is nothing generic for seniors in this plan, except that they are voters. And, I will bet you hardly ever had a voter call your Congressional Office with a complaint about this program? No one called because the program is well managed and everyone involved with it is doing their job, doing it well and to the best of their ability. Just imagine how your telephone has or is going to ring when you get through trying to re-invent the ACA, especially if you continue any part of this broken program? Every failure is going to be on your head. I do not envy your position. And, if you dismiss this White Paper as garbage and you fail to Repeal and Replace Obamacare with something that works to the benefit of everybody, God help you! Congress is going to take the blame for that failure. And, your phone is going to ring off the hook, as well it should. And I am willing to bet, if you don't support a workable solution to this problem, getting re-elected again is going to be a challenge for you, especially with President Trump in the White House.

Contrast MAP's stellar performance with the problems we hear about every day with Obamacare! We hear that carriers are losing hundreds of millions of dollars and pulling out of certain markets. Aetna pulled out of 11 of the 15 market exchanges they operated in last year. United Healthcare, the largest insurer in the U.S., also withdrew from most of the Thirty-four (34) exchanges where they offered plans in 2016. All the premiums are sky rocketing with double digit rate increases, averaging 25% nationwide and increasing over 100% in several States. And, remember MAP subscribers are almost all over the age of 65. They are not the

healthy young risks that the Obamacare program is trying and failing to attract. And MAP, like ACA, has no pre-existing condition exclusions or benefit waiting periods. How much more cost-effective should an MAP program be if young people are willing to buy into it?

As you well know, Twenty-five 25 Million of our citizens are requesting an Obamacare tax exemption, and Four 4 Million more are planning to pay the tax penalty to avoid signing up for Obamacare. So much for the idea of tax credits as an enrollment incentive. It is blatantly obvious that for any program to be successful, it must attract healthier uninsured people! That is not going to happen if you keep any vestige of this failed Obamacare program. The Freedom Caucus is right about that. If Paul Ryan had been more interested in designing a healthcare plan that will work for the American people (and less interested in cutting taxes) he would NOT have shut his Committee's doors on the Freedom Caucus and all of the Democrats in Congress. Paul Ryan didn't understand the difference between doing the job right and getting the job done. He was hoisted on his own petard. Please don't let another quarter Century go by without coming up with a fair solution to this important challenge.

Obamacare Up Close and Personal

I was covered by an Obamacare Marketplace health insurance program in Florida. I was unemployed. At first, they proposed giving me a premium subsidy. Then they notified me that they were going to take away the subsidy and that I would be required to pay the full premium. And, then they never did take away the subsidy. The total premium was around $750 starting out, and the subsidy was around $443, leaving me with a monthly payment of $307, which I could afford at the time.

After the first Plan year, my premium would have increased substantially, however the carrier arbitrarily increased the deductibles under a program they had selected for me, with no written notice to me and without my even being aware of it. In effect, the program that I originally purchased through the Federal ACA Healthcare Marketplace was not the same program into which I was almost automatically renewed. This practice is highly irregular. A responsible insurance carrier will customarily offer the consumer a certain specific health benefit plan. And, if the required insurance premium increases for that plan, to the point where they cannot afford it, the consumer is responsible for making the decision to either drop that benefit plan altogether or find and purchase an alternative less costly benefit plan. In this case, the carrier assigned me to a lower cost benefit plan and arbitrarily increased my deductibles. I ended up paying more for less benefits. I could not believe it! After that experience, there was No way I could trust that insurance carrier.

I assume this action, on the insurance carrier's part, was to keep my required premium from going even further through the roof and to avoid my arbitrarily dropping out of the program altogether. Obamacare allowed the insurance carriers to get away with this kind of mismanagement. In addition, the Obamacare administrators aggressively marketed the Marketplace programs. I received unsolicited emails, letters and numerous recorded robotic-telephone calls asking me to renew the plan and reminding me of their deadlines. There was a

very definite effort to get people to stay enrolled in the programs, to keep their enrollment numbers up. One of Obamacare's claims to fame was the number of enrolled people, whom he assumed were not previously covered by health insurance. These marketing efforts seemed like an assault on my psyche. They continued even after I turned age 65 and had enrolled in a Medicare Advantage plan. Reaching age 65 with eligibility for Medicare was not a clue to them that I would no longer need the program.

The Obamacare, and Clinton Care architects before them, seemed obsessed by the fact that some insurance companies paid commissions on the sale of their health insurance products. It appears they believed this practice contributed significantly to the high cost and affordability of health insurance. Hillary once told an agent that she was sure she could find some other gainful employment after her plan was implemented. Commission levels on health products rarely exceeded the 2%-3% range. Commissions were usually only paid when the consumer bought the product directly through a licensed and educated insurance agent. The Obamacare program finally acquiesced to pay such independent insurance agents for Obamacare Marketplace programs and made proud pronouncements of the number of insurance agents that signed up to offer the programs. Some of the major carriers would pay commissions on their Obamacare programs. Obamacare has been so disruptive to so many people that it is unlikely insurance agents are actively involved in the distribution of ACA Plans at this point in time.

The ACA strongly urged States to set up Insurance Exchanges. These Insurance Exchanges were to become self-supporting by the end of 2015. The States received nearly Five (5) Billion Dollars in federal grants to establish these Exchanges. In 2015, almost half of the Insurance Exchanges were struggling financially, presenting state officials with an unexpected and serious challenge. The Insurance Exchange's financial situation is probably even worse today, since the insurance carriers were often charged a fee for use of the Exchanges. Some States, like Florida, where our Governor had a successful career in the insurance industry before he was elected, were not disposed to set up an Obamacare Exchange. Now, with fewer carriers participating with the program and the exchange fees based on enrollment, the federal and state governments (tax payers) are probably being required to pick up the tab for these exchanges. Remember, prior to ACA, the insurance companies did this kind of thing all by themselves.

My guess is that the whole idea of an Obamacare Marketplace.gov health insurance exchange is that insurance carriers put in the approved products, which are then exchanged with the buying public? Presumably an exchange acts as a disinterested middleman or third-party. This begs the question of the intelligence of the buying public. We never needed an exchange before. What other products sold in the U. S. require an exchange for the buying public to make a purchase decision? Isn't the internet something like an exchange? The States still spend a lot of time testing, licensing and monitoring insurance company's and insurance agents to helpmthe public make intelligent insurance buying decisions. Who is policing the Exchanges? I was a victim of what I considered to be unprofessional treatment. If I wanted to file a complaint, I don't know who I would have gone to in Washington DC to complain to about the changes in my Obamacare Plan? But, since I understand that Obamacare participants are not only being shuffled en masse from one health insurance product to the another, but now as carriers

abandon the States, from one insurance company to another, do you think anyone in Washington DC would have cared that my insurance program was changed without my knowledge?

I would venture to estimate that the cost of these Insurance Exchanges far exceeds the cost of the insurance company commissions formerly paid to agents. If that is the case, all tax payers are now paying more to support these Insurance Exchanges. In the place of the consumer, that used to benefit from buying the product through a licensed insurance agent (and benefit from the agent's information, client orientation and insurance company expertise) the Exchange introduced (informed but) un-licensed order-takers that are more like the employees of an on-line airline and rental car travel service. The carriers that were charged for the use of the Insurance Exchanges just passed that additional cost on to the consumer. Nobody saved any money. The free market is not always a bad thing. Healthcare is unique in that it normally requires insurance to pay for it, but that doesn't mean it is necessary to take over the entire market and open Government mandated insurance exchanges to protect the consumer. Some Representatives in Congress are seriously talking about continuing these Insurance Exchanges under the Repeal and Replace effort, as part of "Obamacare Light".

Some of the marketing techniques used by the Federal Healthcare marketplace are prohibited by HHS on Medicare Advantage Plans. HHS has developed strict rules. All benefit changes are carefully reviewed and approved by HHS in advance. The promotion and advertising of these plans is strictly regulated, pre-approved and monitored by HHS. Salespeople working for the insurance companies are extensively trained in the MAP product and the permissible ways in which seniors can be approached. Our Medicare recipients are protected like hens in the proverbial HHS hen house. In the first year, seniors are given the opportunity to change back to the traditional Medicare program (into which they may have been previously enrolled) on a monthly basis and then annually thereafter in an Open Enrollment period. This change is permissible without a qualifying event and whether or not there is any dissatisfaction with the program. The Initial and Annual Open Enrollment is when new people can join the Plan. To the best of my knowledge, Medicare Advantage Plans have not experienced anything like the kind of gross mismanagement, chaos and confusion to which ACA subscribers have, and continue to be subjected.

Obamacare started with the botched and expensive roll out that cost the tax payer a fortune to fix. Then, there was the ongoing administration of the program which wasn't properly regulated. And now, just look at the way the Government is allowing this program to collapse! Carriers are allowed to abandon certain States, leaving the participants stranded without choice. Participants are being arbitrarily assigned to alternate programs. It would be difficult to imagine how things could be any worse?

However, to add insult to injury, you may be aware that Obamacare participants eligible for premium subsidies were forced to sign away access to their personal income tax information. The government administrators working in the Federal Healthcare Marketplace would inquire as to what grantees expected their earnings to be in the future. Can you imagine that question

to someone who is holding down a tenuous job and trying to put food on the table? I feel sorry for those participants that did not know if they were going to be laid off or if the Company was moving to Mexico or going out of business? I am sure they did not know how to answer the question.

Initially the Obama Marketplace Administrators took my word (over the telephone) for my personal income estimates, to determine my eligibility for a premium subsidy. They quoted various subsidies based on what I told them. Once, I gave them three different income estimates and they came back with three different subsidies. They then required me to follow up with documentation, which I never did. After that, they required me to authorize access to my personal income tax records to determine the amount of premium subsidies I would possibly be eligible for in the future. If you were receiving a subsidy and you wanted to continue to receive it, you had to approve (by way of verbal approval in a taped conversation on a recorded line) a release that would allow them to gain access to your personal income tax records every year.

To require every Obamacare participant, agree to let some unknown Healthcare Marketplace Administrator have access to their tax records, feels a lot like Black Mail! If you don't give the Government what it wants (even though income tax information should be private and confidential) you don't get the financial help you need to afford health insurance. I understand the need for it but it still doesn't feel right. I wish there was a better, less intrusive way of verifying a person eligibility for a premium subsidy. Giving participants a tax credit after the fact, is one way of dealing with this problem, but I believe many of the uninsured in this Country are also unemployed and don't pay any taxes.

The Trumpcare Vision

President Trump is right. Obamacare is too expensive and imploding. As I have written, I think the Repeal of Obamacare should scrap all the wreckage of those plans and start over by extending the Medicare Advantage Option to all persons in-eligible for Medicaid, Medicare or Employer Group Insurance Programs. In other words, Congress should fill the uninsured gap with Medicare Advantage and leave in place and unchanged all the other healthcare entitlement programs. They should fund the cost of extending the Medicare Advantage out of the Medicare Trust Fund (in the traditional pay as you go manner) and with some additional premium payments, government subsidies and appropriate tax credits for low income subscribers. Every other civilized nation in the World has some, mostly government run universal system for making health care accessible to their citizens. The United States is practically the only wealthy nation in the World that does not provide Universal Health Care. We have entertained various public/private partnerships in this area, and all of them have been successful, except for Obamacare. ACA was a humanitarian effort "like Communism" that failed because of too much Government involvement. It is time for our Nation to implement a Plan, like Medicare Advantage that properly limits the role of Government to the administration and finance, in a public/private partnership that lets the insurance companies deliver the program.

Qualified insurance companies should be given incentives to manage their Medicare Advantage Plans, to improve their performance and lower their cost.

Also, let each State manage their own Medicaid Program, the way Governor Scott of Florida and others have advocated, without unnecessary Federal regulations and restrictions that are now placed upon these programs. Rules required for coordination with a Medicare Advantage Plan, like minimum eligibility, should be maintained. Medicaid Incubators in every State is a good idea. One size does not fit all! We all know that, but the Federal Government has been as reluctant to relinquish control over these programs, as Congress has been, to subject itself to these very same programs they enact (like Obamacare) and to set aside the necessary funds to pay for them. The Federal Government should never be allowed to mandate anything, like the Insurance Exchanges, for which it will not pay. Obama drastically and arbitrarily cut Medicaid subsidies to States, like Florida, when they did not extend Medicaid programs the way he wanted them too. My guess is this was to punish the States and force them to yield, when all it did was to make it harder for the States to provide health services to the poorest among us. All States should be allowed to design their own Medicaid programs and have an expedited review process for getting federal approval to make necessary changes to their programs. This opens the barn door but hopefully the States can be trusted to keep the animals from scattering.

I think this Proposal to extend the Medicare Advantage is a "No-Brainer", but apparently, the Republicans can't get a 60-vote majority in the Senate to do anything. Consequently, as a result, "we the people" are acquiescing to the Democrats and compromising on what really needs to be done. "We the People" believe in our democracy and the two-party system. Everyone has the right to decide what changes are required to make the national healthcare system work. And, because we are Americans, we also respect the opposition party's right to resist.

But, as President Trump has pointed out, the refusal of either the Democrats or the Republicans to compromise has been the Congressional standard operating procedure for too many years. President Trump is not alone in the belief that this way of acting is not in the best interest of the American people, especially when it comes to our need to take care of our health. As far as I can remember Democrats and Republicans have never agreed on anything unless the Country is faced with a grave national challenge, like 9-11 or the Declaration of War. In my opinion, our health and that of our healthcare system is suffering from our Congressional delegation's inability to cooperate and work together. The machinations that Republicans had to go through to confirm Justice Neil Gorsuch and in their attempt to Repeal and Replace this failed and vital Obamacare program is unbelievable and should be an embarrassment and a disappointment to everybody.

There is one <u>very important</u> thing that Congress should not fail to do, no matter what healthcare bill passes. This is the one thing on which there must be No compromise! Congress must be certain that it does NOT, under any circumstances, allow for Bailouts of insurance company losses under any program. Under the Medicare Advantage Plans, each approved insurance carrier should be required to rate (price) the ACA or Medicare Advantage Plan options that they want to offer. In my proposed Extension of Medicare Advantage, I

recommend that all the insurance companies approved to participate in the program be willing to live with their approved premiums and participation levels, or get out of the business. The carriers should be forced to take the Risk, the whole Risk and nothing but the Risk, rate the products, manage the benefit plans and live with the results, so help me God. I believe that is this is how the MAP's are managed now and it should remain that way. No Bailouts! This is the leverage that will hopefully keep the insurance carrier's pencils sharp. If private insurers cannot do a better job than Medicare A & B, well then, we will know that Universal Healthcare is the only way to get the job done. And, if it gets to that point, we will be throwing the baby out with the bath water. If Medicare Advantage is extended, I believe the insurance carriers will do very well under an MAP Extension, as they have done under the MAP for seniors.

A couple of carriers are suing the Federal Government for money they are owed under a Risk - Corridor Program, which is essentially just like the Bail Out I am so concerned about, where the Government takes the carriers off the risk. Congress approved this Risk-Corridor Arrangement in 2014. This program established a pool of money intended to help insurers against volatility in the "new" healthcare marketplace. Insurers were paid only 12.6% of the money they claimed in 2014, due to their losses being deeper than expected. If an insurance carrier wanted to gain more market share than their competition by arbitrarily lowering their required premium, what would prevent them from purposely underpricing their projected policy cost, if the Government had agreed to cover any losses they had, due to a "new" market (Nothing!)?

The Obama Administration announced the fact that it would Not pay the Obamacare carriers the money for which they are on the hook, under the Risk-Corridor program (Why?). The Republicans skillfully inserted a Policy Rider into a spending bill, which is still in effect, which prohibits HHS from taping other accounts, such as its overall appropriations or its Medicare funding to support the Risk Corridors Program. A risk sharing agreement like this would explain why it was so easy for the Obamacare insurance carriers to lose all that money. Maybe they thought they wouldn't actually lose any money because Uncle Sam would bail them out? Now only some of them are suing and presumably, the others are just waiting for the Government to bail them out through the courts. Could this also explain why the carriers got out of the program altogether? It looks to me like a perfect moral hazard set up.

You must ask yourself, if the carriers needed that money and they had losses that would make them eligible for the money, why aren't they all suing the Federal Government to get the money they are owed? Maybe some of them feel culpable for their losses? Maybe they are just waiting to see what happens. Whatever the case, this Risk Corridor Program, like the rest of Obamacare, was a bad idea. I am glad the Republicans pulled the plug on the risk corridor. Now you need to fix this problem!

How MAP Carriers Make Money

MAP insurance carriers are making money without charging the seniors any, or at the most, a very low monthly premium rate. MAP premium increases have been zero ($0) or relatively flat over the last several years. MAP senior's premiums averaged just $38 per month in 2015. Even

so, with the Government Subsidy, the insurance carriers can make money and pay a reasonable commission to insurance agents to enroll seniors. I think that is because the Medicare A and B Programs are so richly supported by the Government.

I think the Government pays the insurance companies a premium which is less than the per capita cost of Medicare A & B. Historically, the Government's MAP payments to the insurance carriers and HMO's save the Government money on every enrollee because the per-capita cost of unmanaged Medicare A and B subscribers and the provider reimbursement levels associated with this group are higher than the insurance company managed care cost of their programs. Consequently, the insurance carriers can simultaneously save the Federal Government money and make their money by more closely and effectively managing their benefit programs (more so than the Federal Government can do under Traditional Medicare). This situation should extend itself to the current Obamacare subscribers and hopefully also to a fair number of the otherwise uninsured citizens that enroll in a MAP program. Although we run the risk of soaring the MAP Risk Pool, when you consider the importance getting the uninsured covered, it may be worth the risk. One thing is for sure, attracting younger subscriber is critical to the success of the program. You just must make the program very attractive in order to make it work. After all the hype on the failures of Obamacare Care, exactly what do you think you can do to make this Dog of a program attractive and successful? Give it up. Obamacare Light will not work, high risk pools or not! This Dog Will Not hunt!

This proposal for Medicare Part C is the cleanest, simplest way to build a sound National Health Program, essentially providing a fair opportunity for everyone who wants it, to get health insurance at affordable rates. Taxpayers in general will need to contribute additional funding to the Medicare Trust. I think the Medicare Trust (for Medicare A, B and D Programs) is due to be re-structured to keep it financially viable anyway. Tax credits and premium subsidies should also be used for low income subscribers. Insurance companies (under an MAP Extension) will maintain their traditional role in the system; employer group insurance plans will remain viable and all those citizens that want health insurance will be able to get it.

What can we do to get my proposed Congressional bill entitled "Medicare Millennium Modernization Act to Expand Medicare C – Medicare Advantage Plans" passed without the constraints of the Balanced Budget Amendment Act (BBA) preventing it from being a viable program? The Freedom Caucus is not going to easily agree to it, but I suggest Congress act to recognize the criticality of providing access to healthcare for Obamacare recipients and the uninsured citizens and temporarily suspend the Balanced Budget Rules, because this is a vital existing program. I am certainly not an expert on Budget Rules, but from my untrained perspective, we just lie to ourselves in the BBA process. I mentioned previously how the cost of Medicare A & B were grossly underestimated when they were originally passed. Congress seems to do this sort of thing regularly. You submit your proposals to the genie Congressional Budget Office (CBO) and they miraculously see into the future and tell us whether we will be-able to pay for something. I had to laugh when they predicted the number of people that would drop Obamacare if the Ryan Bill had passed. I can tell you CBO missed predicting the number of carriers that would leave the Obamacare program because it was considered to be

unsustainable, when they originally reviewed that program. However, with the annual deficit, common sense tells me that we can't really pay for it out of future revenues. So, if Congress really wants a program, we lie ourselves and say we can afford this program. I suggest that we recognize that we will have annual revenues adequate to pay for the program for the foreseeable future and just do it! This is a program that we should really want, because it is necessary for the health and well-being of our Commonwealth. We tried to do it with Obamacare and we failed. When American's fail, we recognize the impediments, eliminate the obstacles, pick ourselves up and start over again.

Reducing the Cost of Healthcare

This proposed Medicare Advantage Program Extension; as with any other healthcare program in the United States, is NOT going to reduce the cost of healthcare or make anything more affordable. No program of this kind will lower the payments to insurance companies or lower payments to healthcare providers. If it does, we are all in trouble. Some savings may come from encouraging MAP insurers to design and manage innovative Medicare Advantage Programs and work more closely with their healthcare providers. These programs should require coverage for annual physicals, healthy life style incentives, gym dues subsidies, regular and expanded lab testing, physical condition training, nutritional counseling, and coverage for permissible cost-effective experimental treatments. There are a surprising number of illegal experimental treatments that have proven to be very successful in curing a variety of illnesses, including cancer, at a much lower cost than traditional treatments. The fact that some of these treatments have not been approved means patients are forced to travel to other countries to have our doctors deliver lifesaving treatments that could have just as well been delivered here at home. All of these benefit enhancements and active treatments will work toward educating the American public to live and eat within a healthier life style and help them reduce the cost of their healthcare. As they did when they expanded the Medicare benefit program to cover annual physicals and routine mammograms, Congress may be successful in cutting the cost of healthcare in this way.

If you have been familiar with this business as long as I have, you will remember that we reduced the national annual health care inflation rates from double digits, to single digits for almost half a decade of the 1970's. Many people believed it was the introduction of managed care programs, like the HMO's, that made that reduction possible. And, it still took the cautious Federal Government more than two decades to allow managed care programs into the Medicare, through Medicare C. Hundreds of Millions of Dollars would have been saved by an earlier implementation of the Medicare C programs.

HMO's save money because of their structures. Obamacare architects were all too often under the mistaken impression that the Government could reduce the cost of healthcare by creating incentives for independent medical practitioners of all stripes to focus on medical outcomes. Whenever I hear Dr. Thomas Price, Secretary of HHS, talk about putting physicians back in charge of health care, that is what I think he is talking about. I think this idea is a myth. Not so much that I have a problem with physicians overseeing the healthcare system, but because I

know that HMO's and the Medical Care organizations like the Mayo Clinic and the Lahey Clinic and true Medical Clinic's in general, function successfully to save resources and lives because of their structures. Their organizations and the way they deliver a multi-disciplinary approach to medical care makes the difference and saves a lot of money. We need more of them.

The Government does not have the expertise or the resources to reproduce that kind of organization and make it work throughout the entire medical community. It is just not going to happen. If you want to reduce the cost of health care you must do what knowledgeable professionals have been telling us to do for a long time. Create benefit programs that promote healthy life styles. The employer group insurance programs have been doing this kind of thing for decades. Reduce the demand for health care and you will reduce the supply of health care and ultimately the cost of health care. The Government is ill suited for this kind of activity.

Even so, Paul Ryan's proposed Bill did reduce the deficit by an estimated 337+ Billion Dollars over ten years, as was confirmed by the Congressional Budget Office. He did this by reducing the Governments pay out. And, that act would have allowed him to further reduce taxes. That is all well and good but, to realize President Donald Trump's vision and to make good on his promise to come up with a program that would be better for everybody, he is going to have to put forth a sound insurance system to take care of the problems with Obamacare and cover everybody that wants health insurance. And, to accomplish this feat, we are going to have to spend more money than the Ryan Bill allowed.

In my opinion, life style training and exercise is the ONLY way we are going to have a long-term impact on the cost of health insurance in this Country. All the Insurance Company Magic Rabbits have been pulled out of the Provider (Magicians) Magic Hats. The Bible tells the truth. There is nothing New under the Sun. The physical and mental health of our population is the rock bottom driver of the healthcare costs and we can expect those costs to continue to rise until we successfully improve the basic health of our population and reduce the incidence of required care. This is possible, but that subject is outside the scope of this White Paper.

The insurance carriers predicted the deterioration of the Obamacare Risk Pools. Paul Ryan's proposal further sours the ACA Risk Pool by eliminating the individual mandate, continuing the prohibition on pre-existing condition exclusions and waiting periods, prohibiting the reduction of unnecessary basic benefits and by eliminating premium subsidies in favor of tax credits. As I have written, a lot of the uninsured we are trying to cover do not pay taxes. A tax credit is a good idea but it is probably not sufficient on its own to attract the new members we need to make the replacement program a success.

If you can, please put yourself in the shoes of a financially strapped American citizen, who is working two jobs, without any health insurance. Why would you buy an expensive health insurance plan when you know the government will let you sign up for coverage anytime you suffer from a serious illness? If Congress is going to stand up for the citizen's individual responsibility to buy health insurance and expect everyone to buy it, we need to have

meaningful incentives for buying it, and meaningful penalties for not buying it. So far, neither Obamacare nor Paul Ryan's Bill accomplish these requirements to any satisfactory degree.

Congress understands the complexities of the Obamacare Program and what must be done to fix it. If we really want to have an accessible healthcare system that will take care of everyone, it doesn't take a genius to know that Republicans and Democrats must find the compromise that makes sense and find the money to pay for it. Agreeing to extend Medicare Advantage is the beginning of that compromise.

Conclusion

Medicare Advantage Plans will go a long way toward lowering the cost of Obamacare. It will eliminate a lot of bureaucracy and quickly put in place, the business relationships that have worked to deliver the very successful MAP health care program, which now covers more than 30% of our elderly population. Approximately 16.8 Million beneficiaries are enrolled in Medicare (Part C) Advantage. And, as of March 2015, the majority were enrolled in Health Maintenance Organizations. Despite the concern that Obamacare would lead to reductions in MAP enrollment, since ACA was enacted, the actual enrollment in Medicare Advantage Plans has increased 5.6 Million, or by over 50% which is a testament to it's affordability and popularity.

A Medicare Advantage Extension to all those people, who are not covered by other programs will be a workable system of health care for this segment of our population. Primarily, this is because the MAP Extension satisfies all the interested parties involved. And, it allows for continued private sector administration that has demonstrated a potential for improved performance over time.

Please give the Trump Administration a shot at creating health insurance affordability, satisfying the needs of the population that does not have health insurance, with a known product that insurance companies, HMO's and the Federal Government all understand and can operate with experience. President Trump promised to repeal and replace Obamacare with a plan that, "takes care of everybody!" Democrats cannot be expected to support any changes in Obamacare, even though the program is failing. In my humble opinion, Republicans must find a way to do exactly what President Donald Trump promised "We the People". We will NOT allow Congress to cut Billions of dollars in ACA subsidies and taxes without engineering compromise legislation that "takes care of everybody." We the People should not allow Congress to cap a State Medicaid budget without first providing for every person that does not qualify for their State's Medicaid program. If this happens, I fear you will place our civil system of Government, and your own re-election, in peril.

I believe very strongly that we can solve all the Obamacare problems with an extension of Medicare Advantage. If a Network MAP is not available in a rural area, Medicare Part C can handle that with a Private Fee-for-Service Plan. Medicare Part C is a known quantity. As I have written, almost everything the Federal Government and the insurance companies need to

administer an MAP Extension is already in place. This will mean Medicaid Plans for the poor; Employer Plans for the working; Medicare A, B and D for the elderly and MEDICARE ADVANTAGE for every other citizen, that is not eligible for these other programs, wants health insurance coverage and is willing to pay it.

It is written that there is "nothing New under the Sun." We have already solved all of these problems. With this White Paper, I have presumably educated you to my conviction that Congress knows, or should know, how to meet this challenge. Congress has been successfully covering over 100 Million citizens with healthcare and over 16 Million citizens with Medicare Advantage. Please don't let your colleagues look this MAP Gift Horse in the mouth. Isn't it about time that you (and your Congressional counterparts) introduce a program that we know is going to work? The MAP system is a great program and it is working right now! We don't need to change anything but the funding of it. This is the Vision that Congress originally had for Medicare Part C, and now is the time for you to make this Vision a reality.

The key remaining question in my mind is can we, as a people, summon the political will to fix this situation. What are you going to do about it? Now that you have an answer, who can you talk to about this? What contribution can you make toward this solution? We need to come together on this issue. Please do whatever you can to help! Share this document with your friends on Face Book. I sent the original version of this White Paper dated April 10 to every single member of the 115$^{th}$ Congress. Our politicians need our support for them to have the courage to do the right thing! Please post this White Paper on-line. Everyone can find this document on a special Face Book Page I am setting up and on my web site at: BCSCONSULTANTS.NET/ Please tweet everybody you know, including President Trump. I sent it to him also. Make it happen!

Be sure and tell your fellow Congressional Representatives to consider your support for Medicare Advantage. They should scrap Obamacare and use the Medicare Advantage Program as a viable replacement to Obamacare. If you haven't got a better solution, please make the Medicare Advantage Plan Expansion your personal passion. I believe the health of our Nation depends upon it.