



# CARE OVER COST: FEDERAL POLICY PLATFORM

June 2023

## PUTTING CARE OVER COST THROUGH MEDICARE FOR ALL

Regardless of our race and identity, how much money we make, or which ZIP code we live in, we all have a right to high-quality health care, when we need it. **But our healthcare system is not set up to deliver the care we need. Our current system is inequitable and many people are driven into debt to receive the care they need, even with health insurance.** The U.S. has a lower average life expectancy by six years than our peer countries.

The greed of private insurance companies, Big Pharma, for-profit hospitals, and the medical device manufacturer industry forces the U.S. to pay \$5,000 more per capita for health care than our peer countries, and people who need care are forced to carry much of this burden. In the richest country in the world, you can lose everything if you – or a loved one – gets sick or injured. According to the Kaiser Family Foundation, 1 in 11 adults reported that they delayed or did not get care because of cost reasons and nearly 1 in 10 adults (23 million people) owe over \$250 in medical debt.

Greedy executives at private health insurance corporations pad their profits by systematically refusing to pay for care when we need it most through claims denials, prior authorization denials and reduced payments for out-of-network providers. Insurance companies deny more than [\\$260 billion](#) in claims annually – refusing our care to increase their profits. The more they refuse, the bigger their profits. In 2021, at the height of the pandemic, seven health insurance CEO's raked in \$283 million. And people in need of health care, sometimes life saving care, are the ones suffering.

People's Action supports **the Medicare for All Act**, which would shift power from greedy corporations and the 1 percent (private insurance and drug corporations) towards public control of health care resources and to increase community control, and combat inequity on the basis of race, gender, sexuality, citizenship status, age, and ability.

### Health Care Is a Human Right

We will know we have won when health care is:

- ✓ For health, not profit
- ✓ Simple, universal, and available
- ✓ Fully resourced
- ✓ Equitable across race, gender, ability, and region
- ✓ Delivered by health care workers who are fairly and fully compensated for their labor
- ✓ Inclusive and comprehensive (including medicines, medical equipment, vision/dental/hearing care, reproductive care, mental health care, harm reduction and treatment for substance use disorder, preventive care, and long-term care and home care)

As we build towards passage of Medicare for All, **People's Action's Care Over Cost** campaign is organizing people nationwide to fight wrongful insurance claim denials and expose the truth about private health insurance: it will not be there for you when you are sick or injured. We won't let greedy companies block us from the care we all need. We're fighting to build a world where everyone gets the care they need, when they need it.

## STEPPING STONES TO IMPROVE CARE

### PROTECTING MEDICARE

Private insurance companies are exploiting the Medicare Advantage program and draining the Medicare Trust Fund to line the pockets of corporate CEOs and shareholders. On top of that, they are not delivering the care that beneficiaries need. Spending per beneficiary has grown faster in Medicare Advantage than traditional Medicare, despite high denial rates and, on average, healthier beneficiaries than traditional Medicare. When people with Medicare Advantage get really sick, their out of pocket expenses shoot up, so many of those people end up switching back to traditional Medicare.

**Recommendations:** Congress and the Biden administration must take action to improve the traditional Medicare program and crack down on fraudulent overcharging and wrongful claim denials in the Medicare (dis)Advantage program.

**Improve Medicare:** People should not need to purchase Medigap plans at all. The Inflation Reduction Act took an important step forward in allowing Medicare to negotiate prescription drug costs and capping out of pocket costs for prescription drugs. Congress must build on that progress and pass legislation to lower out-of-pocket costs for health care through a reasonable cap for all Medicare recipients. It must also expand Medicare to cover dental, vision and hearing and lower the age of Medicare eligibility to 60.

### Regulate Medicare Advantage:

- **Data Collection:** The Biden Administration should collect and make public data from private MA plans so the public can readily analyze claims denials, prior authorization denials, and spending on people by race, ethnicity, age and other variables.
- **Enforcement:** The Biden Administration must continue to ramp up enforcement efforts on MA companies that are overcharging and draining the Medicare Trust Fund.
- **Freedom to Choose:** Private insurance is still allowed to discriminate against people with preexisting conditions in the Medicare program. Once a person signs up for Medicare Advantage, in most states, they are locked in because if they switch back to traditional Medicare, they are unable to purchase a Medigap plan. This must change. Private insurance must be required to offer Medigap plans to anyone seeking to switch from MA to traditional Medicare.
- **Require Medicare Advantage to cover services** from any medical provider that accepts Medicare's approved rate.
- **End Step Therapy:** Return to the Obama Administration policy of prohibiting plans from forcing seniors on MA to try multiple cheaper medications before receiving the correct treatment.
- **Updating the Medicare Advantage risk scoring system:** We support the Administration's recent rule lowering Medicare Advantage overpayments. CMS must continue to update the MA risk scoring system to prevent unscrupulous profiteering by private insurance companies.

- Protect vulnerable seniors' health care from being cut by issuing guidance **prohibiting the use of algorithms in Medicare Advantage coverage**, provider payments, and coding decisions.
- **End the ACO REACH pilot program:** Protect seniors' ability to manage their own care in traditional Medicare by quickly transitioning away from the ACO REACH pilot program, another Medicare privatization scheme. ACO REACH allows third-party for-profit middlemen, including private equity, to make deals with healthcare providers to create managed care programs which could disincentivize providers to provide needed care because providers receive payments per patient instead of fee for service. Seniors who enroll in traditional Medicare are put in these plans without their full understanding or prior consent.

## **REDUCE WRONGFUL CLAIMS DENIALS AND PRIOR AUTHORIZATIONS**

Congress and the Administration must take action to stop claims denials and denials of prior authorization requests. Private insurance companies must pay for the care that is recommended by a person's health care provider.

- **Transparency:** Health and Human Services should publish a new rule to fully enforce the Affordable Care Act's transparency requirements that insurance companies provide publicly available data on their coverage and implementation of health care plans. HHS should use its authority to require reporting on denial rates of each insurer by market, state, geography, gender, and race and breakdowns of denials by type of claim and cost. People and employers have a right to know which companies have higher claim denial rates.
- **Investigate wrongdoing:** Health and Human Services should do a comprehensive review of claims denials and denials of prior authorization requests and investigate the health insurance companies who have a pattern of delaying or wrongfully denying care to people.
- **Regulate denials:** Health and Human Services should issue stronger regulations to reduce claim denials and prior authorization requests and speed up the appeals process. HHS must enforce ACA essential health benefits requirements. They should also take the appeals review process out of insurance company hands and create a government review body. If HHS does not have this authority, Congress must pass legislation to meet this goal.
- **Congress should ban step therapy and non medical switching.** We are seeing a pattern with private insurance companies requiring people to take a cheaper drug than the medicine their health care provider is prescribing. *They even make patients stop taking a drug that is working and start a different drug.* Passage of **the Safe Step Act (S. 652/H.R.2630)** would be one step forward in limiting step therapy.
- **Enforce mental health parity law.** The Mental Health Parity and Addiction Equity Act of 2008 as amended by the Affordable Care Act requires health insurance carriers to achieve coverage parity between mental health and substance use disorders and medical/surgical benefits, especially in regard to financial requirements and treatment limitations. Despite this law, coverage of mental health and substance use disorders continues to fall short of this standard.

## **IMPROVE & INVEST IN MEDICAID**

The Federal government and Health and Human Services must continue to invest in expanding and improving Medicaid and enforcing regulations in the states.

- **Congress should fund navigator and outreach programs**, primarily through community-based organizations, to inform people about Medicaid requirements and enrollment, such as the public health emergency unwinding, the health insurance marketplace and other healthcare options.
- Create a standard for all state Medicaid programs to provide **comprehensive dental and vision coverage**.

*People's Action envisions a world where everyone has access to the highest quality of care, medication, and treatments needed to live their healthiest lives. Unfortunately, our current healthcare system is inaccessible to many, inequitable, and prioritizes profit over care. We are building a people-powered movement to transform our healthcare system into one that delivers for everyone.*

**For more information about People's Action and the Care Over Cost campaign please contact:** Aija Nemer-Anerud, Health Care for All Campaign Director, People's Action ([Aija.NA@peoplesaction.org](mailto:Aija.NA@peoplesaction.org)) and Megan Essaheb, Director of Federal Affairs ([m.essaheb@peoplesaction.org](mailto:m.essaheb@peoplesaction.org)).

**Missouri Jobs with Justice member, Mark Hall's, experience illustrates the importance of taking action:**

**"My employer-provided healthcare insurance through Cigna decided to stop covering a medicine that had worked to control my Ulcerative Colitis for over a decade with no complications. I now have several symptoms that I haven't had to deal with since before I was diagnosed, including but not limited to bleeding, cramps, and severe inflammation all over my body. Cigna can't be trusted to pay for care when they profit by denying it. And they are not alone in these 'cost saving practices.' That's why Congress & the Biden Administration need to act and pass the People's Action Care Over Cost Federal Policy Platform."**