



Protecting Medicare...the NRLN Proposal

Keeping the Covenant with Seniors

Talking Points:

- Controlling health care costs is at the center of the future of Medicare and, therefore, cost controls are a key component of any future federal budgets.
- Solutions to control costs must protect the health care covenant made with seniors and the disabled who rely on Medicare for their health care.

NRLN supports the following proposals to strengthen Medicare:

- Eliminate waste, cut back federal budgets for projects, non-strategic grants and planned budget expenditures and stop authoring wasteful preferential bills and amendments (pork spending).
- Attack Medicare fraud with the full force and effect of the government. Congress must enact laws that contain stiffer federal penalties, including prison time, for defrauding the Medicare system.
- Pass legislation that would allow safe prescription drug importation, competitive bidding of prescription drugs, and adequate FDA funding to accelerate generic drug sales and eliminate non-competitive practices in the prescription drug industry.
- Set fair and equitable rate formulae for determining physician fees and make adjustments up or down annually. Examine costly referrals and redundant visit practices and disallow them.
- Increase the Medicare tax on workers and employers until such time as payroll taxes can again fund 60-65% of the Medicare budget.

NRLN opposes the following changes to Medicare:

- Conversion of Medicare administration to private insurers because currently the administrative costs average 3% annually and private insurer administrative costs are estimated to add another 12% to 16% overhead.
 - Conversion to a voucher system because open health care market costs are projected to exceed coverage at an accelerating rate thereby grossly adding to the individual premiums and copays.
 - Changes that will limit or reduce health care provider incentives and payments in middle, smaller, and rural market areas.
- Congress must honor its covenant with the American people. The effect of unemployment on payroll tax revenue, the surge in baby boomer eligibility and rising health care costs can't be offset by slashing Medicare benefits without regard for this covenant.

For a copy of an NRLN whitepaper on this subject, contact Marta Bascom at 703-863-9611 or marta.bascom@linkspace.net