

Massachusetts Hospital Association:



Putting **Profits** before **Patients**...

AGAIN

The American Hospital Association, again putting their bottom lines ahead of patients and the costs to the system as a whole, have put their lobbying muscle into action to fight to make less seniors eligible for Medicare.

Not to improve quality. Not to improve access. **To shift more of the burden onto our Seniors.**

With such a shameless move it is understandable that, "...the move has been relatively under the radar, with most hospital chief executives declining to speak publicly about their efforts."¹

This hasn't stopped Massachusetts Hospital Association President Lynn Nichols from defending this egregious move:

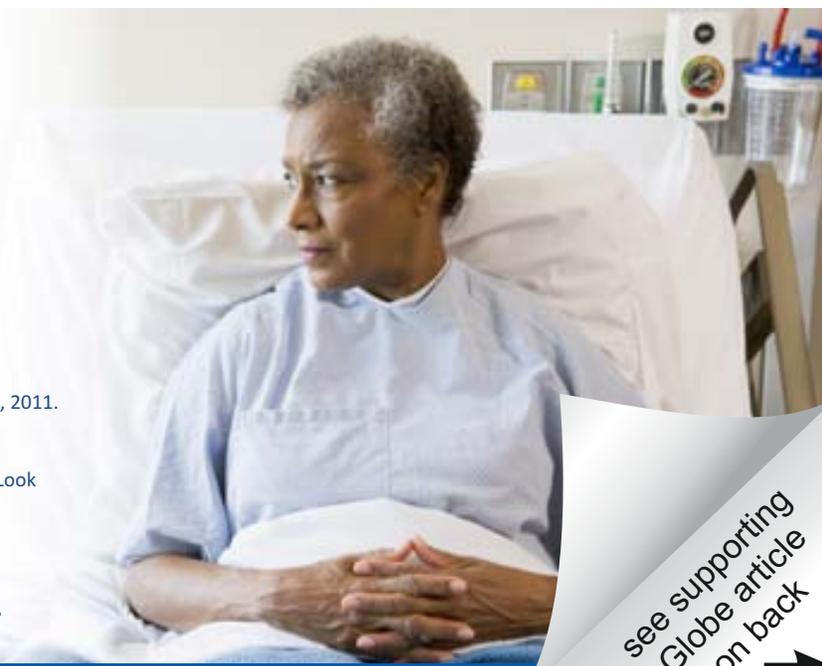
*"Now that we're living so much longer, let's make the beneficiaries pay a little more of their premium and not start the age of eligibility until an actuarially more reasonable year, pushing it two years is not a big deal."*²

To many seniors it is a big deal. And it will cost all of us.

Seniors will be left with higher costs to receive the care they need. They will also be in danger of losing care altogether if all or part of the Affordable Care Act is overturned in court.

This move would cost our system \$11.4 billion, double the alleged "savings." It would push older patients back onto private insurance plans, costing younger insureds an average premium increase of 3%.³ At the same time those still in Medicare would pay more as the youngest and healthiest of their population were taken out of the system.

When will hospital administrators start putting patients first?



1 - Jan, Tracy. "Hospitals push hike in age for Medicare" Boston Globe September 30, 2011.

2 - Jan.

3 - Kaiser Family Foundation. "RAISING THE AGE OF MEDICARE ELIGIBILITY: A Fresh Look Following Implementation of Health Reform" July 2011.

By Tracy Jan • September 30, 2011 • Globe Staff

WASHINGTON - As the deficit reduction supercommittee hunts for \$1.5 trillion in additional savings, US hospital executives are so worried about having their payments cut that they plan to start lobbying Congress next week to shift the burden onto their elderly patients - specifically by raising the age of eligibility for Medicare.

The American Hospital Association is rallying hundreds of hospital leaders to descend upon the Capitol on Tuesday and urge legislators to consider increasing the Medicare eligibility age from 65 to 67 as one way to save money without reducing payments to hospitals. That move is so controversial that President Obama, who once expressed a willingness to entertain the change in Medicare age eligibility, omitted it from his deficit-reduction proposal last week.

"Providers have been giving and giving and giving, and will give more. But the beneficiaries also have to be touched even though politicians feel like that's a third rail," said Lynn Nicholas, president of the Massachusetts Hospital Association. "We have to look at health care entitlements and not just payments. It's pretty much a no brainer to raise the age of eligibility for future enrollees."

In addition to the eligibility age increase, which is projected to save the federal government \$124.8 billion over 10 years, Nicholas said the state association would like Congress to consider other cost-sharing options within Medicare. Raising the elderly's Medicare premiums for doctors' visits from 25 percent to 35 percent, for example, would result in a savings of \$241.2 billion over a decade, she said.

One proposal Nicholas said the hospital association endorses would gradually increase the age of eligibility by two months every year starting with people born in 1949, until it reaches 67.

The nation's hospitals face a potential 2 percent cut as part of a larger automatic Medicare reduction if the bipartisan supercommittee does not come up with enough savings over the next two months. Given that, it comes as little surprise that hospital executives would be trying to protect their bottom lines, health care analysts say.

But some analysts and advocates expressed concern that the hospitals are watching their own backs at the expense of seniors, especially given pending court challenges to the federal health care overhaul signed by Obama last year, which expanded health insurance for millions of Americans. If the health care law is repealed and the eligibility age raised, hundreds of thousands of seniors could end up uninsured, said Paul Van

de Water, a fellow at the Center on Budget and Policy Priorities, a nonpartisan organization in Washington, D.C., that analyzes how policies impact low-income Americans.

"I just find it rather unappealing that the hospital executives say, 'Protect us,' but throw the 65- and 66-year-olds to the wolves," Van de Water said.

Van de Water authored a brief last month saying that raising the Medicare eligibility age by two years might save the federal government money, but it would actually increase the nation's overall health care costs because Medicare is more efficient than private insurers. The extra costs would be paid by employers that provide coverage, the states, and seniors themselves.

The Kaiser Family Foundation, which updated its own study on raising the eligibility age over the summer, estimates that if a change in eligibility were in effect in 2014, it would increase state and private sector costs by \$11.4 billion, twice as much as the net federal savings of \$5.7 billion.

David Certner, policy director at AARP, a lobbying group representing seniors, said his organization already hears from countless 62 to 64-year-olds who are hanging on and hoping they get to Medicare eligibility before they face a major illness.

"The idea that we would increase the age just seems to run counter to the efforts to expand health care coverage and the affordability of that coverage," said Certner, especially given that one of the proposals during last year's health care debate was actually to reduce the age of eligibility to as low as 55 as a way of expanding access.

Most 65- and 66-year-olds would end up paying more out of pocket than they otherwise would have paid under Medicare, according to the Kaiser study. Adults under 65 would also see their premiums rise by an average of 3 percent, since an older, less healthy population would be joining the general pool and are the most costly to cover. Still-eligible Medicare beneficiaries would pay more as well when that pool of insured loses its youngest members.

In Massachusetts, where more than a million seniors are on Medicare, the federal health insurance program accounts for 36.6 percent of hospital payments in the Bay State.

"The hospitals would be walking away with a windfall because people would be covered privately, which pays a higher rate than Medicare," said Robert Restuccia, director of Community Catalyst, a national nonprofit based in Boston that advocates for universal health care.

The executive director of another nonprofit organization supporting universal health care says the hospitals may be miscalculating the effect of the higher eligibility age on their profits and losses. "This is really self-defeating for the hospitals," said Ron Pollack of Families USA, "because ultimately a lot of these 65- and 66-year-olds will wind up joining the ranks of the uninsured. So when they go to the hospital and are unable to pay for it, it's going to cause hospitals to eat those costs."

The move has been relatively under the radar, with most hospital chief executives declining to speak publicly about their efforts.

It is a "public relations disaster," Restuccia said. "These are mostly nonprofit institutions. They're supposed to be focused on caring for their community. This would not help their community, though it may help their bottom line."

In Massachusetts, which has the nation's lowest rate of uninsured, hospitals presume that most younger seniors denied access to Medicare would remain covered by staying on employer health plans longer or purchasing private insurance, said Nicholas, the Massachusetts Hospital Association chief.

"I don't think there would be any impact on people getting care," Nicholas said. "But if we continue to cut hospital and physician payments, people's care would be much more jeopardized in the long run than by this change."

"Now that we're living so much longer, let's make the beneficiaries pay a little more of their premium and not start the age of eligibility until an actuarially more reasonable year," Nicholas said. "Pushing it two years is not a big deal."

But US Representative Edward Markey of Malden - a member of the Energy and Commerce Committee, which has oversight over the health care industry - dismissed the notion.

"This wrong-headed 'Waiting Game' makes no sense," Markey said in a written statement. "Raising the Medicare age would shift health care costs onto the backs of seniors."

Jon Kingsdale, former head of the Commonwealth Health Insurance Connector Authority and now a health care consultant helping other states develop their own insurance exchanges, derided the lobbying effort as "a pretty pure self-interested calculation."

"These are going to be a series of hard choices for the country," Kingsdale said. "While we're still trying to reduce the number of uninsured, I don't think that's a great idea."

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