

## Kaine-Bennet Medicare X Q & A and Key Counter Points

*What is the purpose of this bill including a public option?*

- Since this proposal already has a number of elements that improve and build upon the existing framework of the ACA, instituting a public option is unnecessary.

*Who would be eligible to “buy-in”?*

- In only six years’ time, all Americans will be eligible to buy in to this new “Medicare” plan that is not traditional Medicare, including those who already have employer-sponsored insurance.

*What affect does this bill have on hospitals?*

- This bill offers a more comprehensive, costly, public option than Medicare but still only reimburses providers at Medicare rates, which pays 40% less on average than private insurance pays now.<sup>1</sup> If a substantial amount of people ditch their private plans and opt for Medicare, hospitals, especially rural hospitals, could be forced into closures and patients may not be able to get access to doctors they prefer.

*Does this bill expand consumer choice?*

- It might seem that way by adding another plan for all patients to choose. However, if more and more people flock from their existing private plans over to the public option, the private plans will be forced to either shut down or raise rates.

*Would the Medicare option under this bill be substantially cheaper than existing marketplace plans?*

- There is little specificity on what the public option would cost for patients choosing to enroll. If only patients with high-cost medical conditions sign up, there would be no way to keep this plan affordable without either significant tax hikes on Americans or forcing more people on to the plan to offset the risk pool. The Colorado Legislature was forced to shelve their public option bill this year because legislators there could not figure out an answer to this question.<sup>2</sup>

*How much disruption to the individual market would this bill cause?*

- Because the public option is being offered to anyone and not just those in the individual market, potentially a lot. If people leave their existing employer-sponsored health coverage in droves and opt instead for Medicare, there could be massive disruption to the existing marketplace.

### **GENERAL ARGUMENTS AGAINST PUBLIC OPTION**

*What are the key arguments against a public option?*

- By paying lower rates to doctors and hospitals, a public option could force health care providers to curtail the care they provide or go out of business altogether.

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<sup>1</sup> [https://www.mercatus.org/system/files/blahous-costs-medicare-mercatus-working-paper-v1\\_1.pdf](https://www.mercatus.org/system/files/blahous-costs-medicare-mercatus-working-paper-v1_1.pdf)

<sup>2</sup> <https://coloradosun.com/2019/04/02/colorado-public-health-care-option-bill-2019/>

- Because a public option is backed by the government and mandates lower reimbursement rates, it would undercut private insurance. This would lead to the “slippery slope” with private plans covering less people and more people ending up on a government run plan.
- Unless a public option is offered only to a very limited group of people, it could disrupt the market and affect the private plans of people who are currently satisfied with their coverage.
- A public option makes the government responsible for funding new insurance programs. This runs the risk of more government spending and higher taxes.
- The ACA was designed to address the problem of access to affordable coverage. By building on the current system and implementing minor improvements, millions more people could be covered.