Medicare Expansion Marks a Shift Away From Privatization

By Stephanie Nakajima, Healthcare-NOW

For the past 30 years, expansions to Medicare were added largely through the private sector, such as the fully privatized Part D prescription drug plan. But with the 3.5 trillion dollar spending bill making its way through Congress at the time we write this article, that is about to change; legislators are considering significantly expanding traditional Medicare’s benefits and even eligibility, reversing this decades-long trend of privatization as the answer to our healthcare system’s failures.

Our movement is fighting for four specific reforms, at least one of which seems likely to make it in the final package: adding dental, vision, and hearing benefits to traditional Medicare. The others, which are still on the table as of early August, include instituting an out-of-pocket cap; allowing Medicare to negotiate drug prices; and lowering the eligibility age from 65 to 60.

All of these reforms are essential, but lowering the age in particular would be transformative for 23 million seniors under 65, and disproportionately so for black Americans. In a recent study, enrolling in Medicare was associated with reductions in racial and ethnic disparities in insurance coverage, access to care, and self-reported health. Expanding eligibility would reduce racial inequities for millions more.

Since 1965, there have been several waves of reform; some were true improvements to traditional Medicare, while others funnelled public money to private entities. The most significant expansion of the program was the very first after its inception: in 1972, Medicare began covering those under 65 with long-term disabilities, and individuals with end-stage renal disease - a very expensive diagnosis.

A second wave of reforms arrived in the 80’s. Home health services were added, an inadequate but necessary step towards giving people living with disabilities more choice and freedom; hospice services were covered; and Medigap plans were brought under federal oversight. The most ambitious reform of the decade, the Medicare

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Catastrophic Coverage Act of 1988, was short-lived. It instituted an out-of-pocket cap on hospital and physician care (and also a limited prescription drug plan). It was law for almost a year, but because the cost was shouldered by the beneficiaries themselves through an increase in premiums, it was politically unpopular. The Act was shortly repealed.

The 90s brought the first wave of neoliberal reform: means-tested benefits in the first part of the decade, then privatization in the second half. In 1990, very low-income seniors gained partial relief through subsidized coverage of Part B premiums. “Medicare Choice” in 1997 introduced Part C, the private Medicare option, which created HMO-style plans that were popular with policy wonks of the time.

The second privatized expansion to Medicare, Part D, was added in 2003. This optional prescription drug benefit is offered only by private insurers. Coverage isn’t comprehensive, even after the Affordable Care Act closed the “donut hole,” or the limit at which you start to pay the full costs of your prescriptions before they become “catastrophic” at around $6,500 a year.

Earlier this spring, it seemed like this pattern of publicly subsidizing private health insurance as a “reform” would only continue; the Biden administration’s healthcare proposal focused mainly on expanded subsidies for the Affordable Care Act. But thanks to unrelenting grassroots pressure, the proposals on the table now look more like those of the 70’s and 80’s - expanding and improving traditional Medicare.

It’s unknown how many of the reforms we’re fighting for will become law; more clear is the impact of the Medicare for All movement, the mark we have left on this discussion. We’re making further privatization toxic, and seeking to expand and improve traditional Medicare, in a shift made possible only by the growing power of M4A organizing. HCN!
Grassroots organizing across the country has been gradually chipping away at the remaining Democrats in Congress who have not co-sponsored Rep. Jayapal’s Medicare for All Act of 2021 (H.R. 1976). Rep. Betty McCollum of Minnesota’s 4th District signed onto Jayapal’s M4A bill for the first time after constituents led by the Minnesota Nurses Association spent years advocating with her; Rep. Zoe Lofgren of California’s 16th District signed back onto the bill only after extensive organizing and phone banking led by National Nurses United; and on July 16 Rep. Melanie Ann Stansbury of New Mexico’s 1st District finally co-sponsored the bill as a freshman, after committing to support M4A on the campaign trail in 2020.

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When politicians and pundits tell us that Medicare for All is a great idea but it is not “politically viable”, what they’re really saying is that the medical-industrial complex has veto power over healthcare policy. Our most important job is to build the kind of power necessary to take on the concentrated corporate power of the healthcare profiteers.

**HCN:** The Labor Campaign was launched with the mission of mobilizing the U.S. labor movement to lead the national campaign for M4A. How successful has that project been? What are the remaining challenges?

**MD:** Because our fundamental problem is one of building power, the labor movement—which was organized precisely to confront corporate power—must be a central part of the solution. The passage of Medicare and Medicaid happened in large part because of the joint efforts of the labor and civil rights movements. A similar coming together of labor with the movements for racial justice and equity and with other social movements is our pathway to victory.

Possibly the high point of labor support for Medicare for All was early 2019 when unions representing a majority of organized workers in the U.S. came together to endorse Rep. Jayapal’s Medicare for All Act. This was the result of a lot of smart organizing by activists in the labor movement and the leadership of a few national unions, especially National Nurses United.

Our biggest challenge continues to be to get unions to see beyond their immediate, instrumental political relationships and win policies for the overwhelming majority of Americans who rely on labor to survive.

**HCN:** How do you envision the next steps for the Labor Campaign? How will we succeed in building a movement on the scale needed to win M4A?

**MD:** Over the next year, labor will be debating its future as the AFL-CIO and a number of large unions hold important conventions and elections. Ultimately, we need to massively scale up our efforts in order to win. That means mobilizing hundreds of thousands and millions of Americans in every political precinct in America to knock on doors, educate their neighbors and confront politicians on their home turf. Last year’s election cycle saw some amazing labor-supported mobilizations in places like Georgia, Arizona and Nevada. Those are the kind of models that we need to build on to put us over the top and finally make healthcare a right for everyone in America. **HCN**
Take Action for Single-Payer Healthcare!

Legislation by Rep. Pramila Jayapal would create a single-payer system, "expanded and improved Medicare for all." Sen. Bernie Sanders will be reintroducing his bill shortly—Senate cosponsors coming next issue!

If you don’t see both your Representative listed as co-sponsors below, make sure to call the Capitol Switchboard at (202) 224-3121 to be connected to your legislators and ask them to co-sponsor H.R.1976!

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The Road to 218+51
Healthcare-NOW took a deep dive on the demographics of the districts we’ve won - and those that remain - and discovered that the unprecedented support for Medicare for All we’ve seen over the past several years has come disproportionately from densely urban districts, solidly Democratic districts, communities of color, and lower-income districts. For the remainder, our movement will need to organize and win in suburban, ex-urban, and rural districts, as well as swing districts and whiter and wealthier communities.

Check out our full video analysis: http://bit.ly/roadto218

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