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Wyden Hearing Statement on Updating and Strengthening Medicare for Seniors

As Prepared for Delivery

This morning the Finance Committee gathers to discuss how to update and strengthen Medicare's guarantee of high-quality health benefits for the next generation of America's seniors.

Colleagues, I want to be clear from the outset: traditional Medicare is falling behind when it comes to helping seniors manage their health when they are living with multiple chronic conditions.

I know members of the committee are interested in reforms to the way physicians and non-physician practitioners are paid. In my view, any update to the way physicians are paid by traditional Medicare must provide a lifeline to the tens of millions of seniors who live with chronic conditions and who are struggling to coordinate their health care in a fragmented health system that's not putting their health first. This hearing is going to jump-start that debate.

The Finance Committee delivered a wake up call to America in 2018 when we passed our first round of reforms to care for chronic conditions in Medicare, under the chairmanship of Orrin Hatch, who graciously agreed to partner with me, along with Senators Warner and Isakson.

Together, we sounded the alarm that Medicare is no longer only an acute care program. Medicare spending today is dominated by chronic conditions. Often, chronic conditions cluster together in ways that complicate health and require specific, on-going management by a physician. Cardiovascular conditions like high blood pressure and high cholesterol most often occur with diabetes, for example. If you add conditions like cancer and COPD to the equation, seniors and their doctors are left with a crazy quilt of appointments, prescriptions, and care plans that lead to confusion and worse health care. When a senior's health gets this complicated, care coordination is not optional.

Recent events have underlined the growing cost of chronic disease in America. Even before the COVID-19 pandemic, life expectancy began to dip in the United States from a 2014 peak of 79 years old. The pandemic led to a backlog of preventive care that may only accelerate chronic illness in the U.S.

The way traditional Medicare pays physicians to manage and treat these conditions has not kept up with the times. Democrats and Republicans were right to tackle the problem in 2018, and it's now time to act boldly again.

In contrast to traditional Medicare, in the past decade Medicare Advantage plans have been given a host of tools to incorporate chronic disease management into their plan choices. That's because MA was built from the ground up to offer more flexible benefits to give seniors the option to choose a Medicare plan that was tailored to their needs. Plans are able to use rebates – growing from \$12 billion in 2014 to \$67 billion in 2024 to support these flexibilities and extra benefits.

Unfortunately, it's increasingly clear that insurance companies are more interested in playing coding games with Medicare's payment rules to maximize their bottom line. Medicare Advantage plans seem to be using more and more of these excess dollars to juice their marketing and enrollment. Experts told this committee that MA plans to spend \$6 billion per year on marketing middlemen who sell their plans to seniors.

Just last week, the Centers for Medicare and Medicaid Services announced it is cracking down on insurance middlemen selling seniors' personal information over and over again, resulting in a blizzard of phone calls and high-pressure marketing campaigns during enrollment season.

This time around, I want to make sure that traditional Medicare is keeping up with the needs of beneficiaries when it comes to care coordination, non-medical determinants of health, and the like.

That could include steps such as reducing or eliminating cost-sharing for care coordination services. Seniors shouldn't have to pick up the tab when their primary care doctor works with their cardiologist or physical therapist to coordinate a care plan for high blood pressure.

It also means empowering primary care. Physicians and other providers who deliver primary care are on the front lines when it comes to helping seniors manage their chronic illnesses.

But as everybody in this room knows, there is a persistent shortage of primary care providers in many parts of the country. That's partially a result of out-of-whack payment rules that make primary care a less appealing specialty than other fields. Primary care providers need to be valued and compensated more fully by Medicare - as they are put in the driver seat alongside seniors to help navigate their health needs.

In my view, the challenge before the Finance Committee is to improve the way Medicare pays for services delivered in the doctor's office, or at home, so there is a laser focus on managing those chronic conditions that are dominating the health of seniors.

The Finance Committee has had a lot of success over the last decade getting new policies in this area into black-letter law on a bipartisan basis, but there's still more to be done. I'm looking forward to hearing from our witnesses and getting to work on the next steps.

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