

Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

National Academy of Social Insurance Report of Study Panel on Medicare Eligibility

This edition of *Commentary* was originally intended to be made available in March, but its preparation and distribution were delayed due to the state of emergency declared for Washington DC as a result of the Covid-19 pandemic.

The National Academy of Social Insurance released its Final Report of the Academy's Study Panel on Medicare Eligibility on March 4 at the National Press Club in Washington DC, in conjunction with a full day of in-depth presentations and discussions on the next day. The actual title of the report is *Examining Approaches to Expand Medicare Eligibility: Key Design Options and Implications*. The Study Panel comprised twenty-seven distinguished academic and professional members, bringing together expertise from several academic disciplines, including economics, health policy, medicine, sociology, law, and political science. The panel included actuaries, health plan administrators, health care providers, labor representatives, and government regulators, as well as experts from the public and private health insurance industry. The panel conducted its research and deliberations throughout most of 2019 and early 2020, with its work being allocated among three separate working groups to address: (1) Lowering the Medicare Eligibility Age; (2) Medicare Buy-In; and (3) Medicare for All. The work of the Study Panel was made possible by the generous financial support of a consortium of six sponsors: AFL-CIO; Arnold Ventures; Buffin Foundation; Commonwealth Fund; International Brotherhood of Teamsters; and University of Maryland. The full report, along with an Executive Summary and additional resources, may be downloaded from the Academy's website: <https://www.nasi.org/research/2020/examining-approaches-expand-medicare-eligibility-key-design>

As the nation explores a wide range of policy options addressing the health care needs of Americans, Medicare is at the center of many proposals; accordingly, it is anticipated

that the findings in the report will increase understanding of Medicare-based approaches, and be used by researchers, journalists, policymakers, and others to develop policy options to expand Medicare as a platform for reform with the objective of significantly improving the efficacy of the nation's health care system.

Extending Medicare to individuals under age 65 could build on the current Medicare infrastructure, retaining today's covered benefits, provider payment structure, premium and cost-sharing structure, subsidies for low-income persons, and secondary payer provisions for persons with employer-sponsored coverage. Lowering the age of eligibility from the current 65 to 62 could extend Medicare eligibility to about 10.1 million additional individuals, of whom 3.3 million could transition to primary coverage under Medicare, including approximately 670,000 previously uninsured individuals. Lowering the age of eligibility to 55 could expand Medicare eligibility to about 37.4 million additional individuals, of whom 11.4 million could transition to primary coverage under Medicare, including 2.8 million previously uninsured individuals. Lowering the age of eligibility to 50 could extend Medicare eligibility to about 57.3 million additional individuals, of whom 17.3 million could transition to primary coverage under Medicare, including 4.6 million previously uninsured individuals.

A Medicare buy-in program could be designed to allow individuals and groups not otherwise entitled to Medicare to enroll by paying a premium for coverage that builds on Medicare benefits, provider networks, and payment rates. Policymakers have typically proposed an individual Medicare buy-in to expand access to affordable coverage for older persons. However, a Medicare buy-in program could also be designed to cover a much broader segment of the population; for example, it could allow employers to buy into Medicare on their employees' behalf, in the interest of making comprehensive employer-sponsored insurance coverage more afford-

able. A Medicare buy-in program differs from lowering the eligibility age because participation in the buy-in would be optional; individuals and employers would make their decisions about whether to opt for the buy-in based on benefit provisions, provider access, costs including premiums and any premium and cost-sharing assistance, and individual expected health care needs.

Medicare for all proposals aim to achieve universal coverage and to fulfill the related goals of improving the affordability of health care services and reducing current inequities in access. The approach to achieving a Medicare for all system would result in virtually all persons being covered through a program that resembles traditional Medicare in that the government could pay providers for covered services and private insurance would be limited to a supplementary role. The specific program features would carry important implications for health care providers and workers, employers, and insured individuals. Design features would need to address four key areas of concern: the role of private insurance plans; comprehensiveness of benefits; effectiveness of cost control mechanisms; and selected financing mechanisms. A Medicare for all program would increase federal spending significantly. The effect of Medicare for all on total national health expenditures would be influenced by several factors, including increased utilization by the formerly uninsured and underinsured, changes in benefit coverage or cost-sharing requirements, the broader application of Medicare payment rates, and administrative simplification.

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