Resolution to <u>Stop</u> a New Medicare Program supported by the Trump Administration called Medicare ACO-REACH

  WHEREAS, when seniors and retirees become eligible to apply for Medicare, the majority of them choose Traditional Medicare (the original program where Medicare pays the participating doctor directly) <u>versus</u> the Medicare Advantage Program, a "third party for-profit middleman insurance company" that is paid monthly by Medicare to manage patient's care and authorizes payment to the patient's doctor; and

  WHEREAS, the former Trump administration supported a new pilot Medicare program that was created by a separate section of CMS called CMMSi (Center for Medicare & Medicaid Services Innovation), and the new Medicare program which is named ACO-REACH (Accountable Care Organization-Realizing Equity, Access, and Community Health) claims to be a new Medicare value-based payment demonstration model, but it is actually a "third party for-profit insurance company" program that will rapidly drain away the Medicare Trust; and

  WHEREAS, this new program is set to be launched on January 1, 2023 with no current Congressional oversight; and

  WHEREAS, according to Physicians for a National Health Program, ACO-REACH allows doctors and their offices to convert a patients' Traditional Medicare choice into ACO-REACH coverage without <u>first</u> informing their patients about the change nor getting their patients' written permission; and

  WHEREAS, Doctors and their offices will have a financial incentive to convert to ACO-REACH coverage as they will also be allowed to keep up to 40% of their revenue that they don't spend on healthcare services as overhead resulting in a "windfall profit" versus Traditional Medicare Programs that are only allowed to keep the balance of 2% of their revenue after paying for overhead; and

  WHEREAS, Doctors and their offices will have an additional financial incentive as ACO-REACH will pay money to treat their patients with more complicated diagnoses by allowing doctors to "up code" additional diagnoses. Up-coding is a practice that has led to fraud by exaggerating or including related, but unnecessary, diagnoses, leading to higher costs; and

  WHEREAS, if the Biden/Harris Administration does not <u>STOP the deployment of Medicare ACO-REACH by HHS/CMS now</u>, it potentially could make things worse since the Congressional Budget Office has already projected the insolvency of the Medicare Hospital Trust in 2026 that could affect 52.6 million seniors whose care is provided by the Trust.

NOW THEREFORE BE IT RESOLVED that Texas Democratic Party opposes CMMSi's Medicare ACO-REACH Program and asks the Biden/Harris Administration to <u>immediately STOP and dismantle the ACO-REACH Program</u>, and instead, immediately protect and preserve Traditional Medicare plus adding coverage for Hearing, Vision and Dental Care.