

NCHA Financial Feature



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Senator Sanders Releases 2019 Medicare-for-All Bill

Senator Bernie Sanders (I-VT) has released the 2019 version of his Medicare for All bill “to guarantee health care to every American as a right, not a privilege.” Sanders introduced the bill along with Sens. Tammy Baldwin (D-Wis.), Richard Blumenthal (D-Conn.), Cory Booker (D-N.J.), Kirsten Gillibrand (D-N.Y.), Kamala Harris (D-Calif.), Mazie Hirono (Hawaii), Martin Heinrich (D-N.M.), Patrick Leahy (D-Vt.), Edward Markey (D-Mass.), Jeff Merkley (D-Ore.), Brian Schatz (D-Hawaii), Tom Udall (D-N.M.), Elizabeth Warren (D-Mass.) and Sheldon Whitehouse (D-R.I.).

The Sanders’ legislation would “fundamentally transforms the country’s dysfunctional health care system by eliminating profit-driven health insurance corporations and instead covering every resident through an improved Medicare plan at far lower cost to working families and the nation as a whole.”

The bill is only 100 pages in length. It should be noted that the 1965 Medicare bill signed by President Lyndon Johnson was only 138 pages. Within those 138 pages, the law established Medicare Parts A and B, premiums, payment methodologies, coverage, eligibility, etc. A copy of the legislative text is available from the Sanders website at: <https://www.sanders.senate.gov/download/medicare-for-all-act-of-2019?id=0DD31317-EF09-4349-A0D4-0510991EF748&download=1&inline=file>.

Comment

The probability of Medicare for All passing this Congress and being signed into law by this President is very low given that the Senate is controlled by Republicans and the President does not support Medicare for All. The costs of the new program are unknown, and the mechanisms to pay for it are still largely unexplained.

The plan, if ever adopted, would have major effects on the health care industry, since it would eliminate private health insurance and change the way medical providers and drug companies are paid. Health insurance companies would be eliminated.

The following are some very brief items from the bill:

SEC. 102. Universal Entitlement

Every individual who is a resident of the United States is entitled to benefits for health care services under this Act. The Secretary shall promulgate a rule that provides criteria for determining residency for eligibility purposes under this Act.

SEC. 103. Freedom of Choice

Any individual entitled to benefits under this Act may obtain health services from any institution, agency, or individual qualified to participate under this Act.

SEC. 302. Qualifications for Providers

A health care provider is considered to be qualified to provide covered services if the provider is licensed or certified and meets (1) all the requirements of State law to provide such services; and (2) applicable requirements of Federal law to provide such services.

SEC. 401. Administration

The Secretary shall develop policies, procedures, guidelines, and requirements to carry out this Act, including related to—

- (A) eligibility for benefits;
- (B) enrollment;
- (C) benefits provided;
- (D) provider participation standards and qualifications;
- (E) levels of funding;
- (F) methods for determining amounts of payments to providers of covered services;
- (G) the determination of medical necessity and appropriateness with respect to coverage of certain services;
- (H) planning for capital expenditures and service delivery;
- (I) planning for health professional education funding;
- (J) encouraging States to develop regional planning mechanisms; and
- (K) any other regulations necessary to carry out the purpose of this Act.

SEC. 501. Quality Standards

All standards and quality measures under this Act shall be performed by the Center for Clinical Standards and Quality of the Centers for Medicare & Medicaid Services (referred to in this title as the “Center”), in coordination with the Agency for Healthcare Research and Quality and other offices of the Department of Health and Human Services.

SEC. 601. National Health Budget

By not later than September 1 of each year, beginning with the year prior to the date on which benefits first become available, the Secretary shall establish a national health budget, which specifies the total expenditures to be made for covered health care services under this Act.

SEC. 611. Payments to Institutional and Individual Providers

The Secretary shall establish, by regulation, fee schedules that establish payment amounts for benefits under this Act in a manner that is consistent with processes for determining payments for items and services under title XVIII of the Social Security Act.

SEC. 614. Payments for Prescription Drugs and Approved Devices and Equipment

The prices to be paid for covered pharmaceuticals, medical supplies, and medically necessary assistive equipment shall be negotiated annually by the Secretary.

SEC. 1001. Lowering the Medicare Age

For an individual that has attained the applicable years of age but has not attained 65 years of age.

“(A) effective January 1 of the first year following the date of enactment of the Medicare for All Act of 2019, the age of 55;

“(B) effective January 1 of the second year following such date of enactment, the age of 45; and

“(C) effective January 1 of the third year following such date of enactment, the age of 35.

SEC. 1011. Medicare Protection Against High Out-of-Pocket Expenditures for Fee-for-Service Benefits and Elimination of Parts A and B Deductibles

Beginning January 1 of the year following the date of enactment of the Medicare for All Act of 2019), the patient’s costs equals or exceeds \$1,500, the individual shall not be responsible for additional out-of-pocket cost-sharing occurred during that year.

For each year (beginning January 1 of the year following the date of enactment of the Medicare for All Act of 2019), the inpatient hospital deductible for the year shall be \$0.”

For Part B by \$0.

Our Washington liaison, Larry Goldberg of Larry Goldberg Consulting, has provided us with this summary and comments. For questions, please contact Jeff Weegar, NCHA, at 919-677-4231, jweegar@ncha.org or Ronnie Cook, NCHA, at 919-677-4225, rcook@ncha.org.