SENATE BILL REPORT
SJM 8002

As of February 9, 2025

Brief Description: Concerning Medicare.

Sponsors: Senators Hasegawa, Chapman, Stanford, Trudeau and Valdez.

Brief History:
Committee Activity: Health & Long-Term Care: 2/11/25.

Brief Summary of Bill

- Declares the Legislature's opposition to Medicare privatization.
- Requests the federal government to take action that increases health care equity for Medicare beneficiaries who are deciding between Original Medicare and Medicare Advantage programs.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Julie Tran (786-7283)

Background: Medicare is a federal health insurance program covering individuals 65 years of age or older and younger individuals with certain disabilities. Individuals may enroll in Original (traditional) Medicare, which is administered by the federal government, or Medicare Advantage, which is administered by private insurers. Individuals may switch between types of coverage during specific times of the year.

Medicare supplemental insurance, informally known as Medigap, is insurance coverage issued to cover expenses that traditional Medicare coverage does not. An individual who seeks to enroll in Medicare supplemental coverage may be subject to medical underwriting based on factors such as health status, claims experience, receipt of health care or medical condition.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The following findings are made in this memorial related to the Medicare programs:

- that Medicare has proven to be the most efficient and effective public health care program with administrative costs accounting for only 2 to 3 percent of Medicare spending;
- that various for-profit privatized health care programs within Medicare are permitted to take up to 15 percent of every Medicare dollar for administration and profits for managing Medicare claims;
- that recent reports by the Health and Human Services inspector general, academic researchers, and investigative journalists have uncovered wide-ranging fraudulent practices, confirming that upcoding, overpayments, delaying medically necessary care, and the denial of claims by insurers and other private businesses managing Medicare claims, together, account for overcharging the Medicare Trust Fund and Medicare beneficiaries by as much as $75 billion to $140 billion annually; and
- that insurers and Wall Street are fiercely lobbying to gain a larger share of Medicare spending by further privatizing Medicare and turning it into a profit center and hastening the depletion of the Medicare Trust Fund.

The Legislature opposes Medicare privatization and urges the federal government to take the following action and allow Medicare beneficiaries to have a genuine choice between the Original Medicare and Medicare Advantage programs by:

- eliminating the Original Medicare 20 percent copays and setting an out-of-pocket cap on medical expenses;
- adding benefits to Original Medicare such as dental, vision, and hearing coverage as is permitted in private Medicare Advantage plans;
- eliminating the allowed excessive administrative costs and profits in the Medicare Advantage programs; and
- recouping funds for the Medicare Trust Fund from the Medicare Advantage overpayments, fraud, and abuse that have been documented in academic studies, congressional reports, and investigations by the Department of Health and Human Services in order to support a robust Original Medicare system that will lower costs and improve benefits, access, and equity for all seniors and disabled beneficiaries.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.