SENATE BILL REPORT
SJM 8002

As Passed Senate, March 10, 2025

Brief Description: Concerning Medicare.

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

Brief History:
Committee Activity: Health & Long-Term Care: 2/11/25, 2/13/25 [DP, DNP, w/oRec].
Floor Activity: Passed Senate: 3/10/25, 30-19.

Brief Summary of Joint Memorial

- Declares the Legislature's opposition to Medicare privatization.
- Requests the federal government to take certain action that provides a choice for Medicare beneficiaries who are deciding between original Medicare and Medicare Advantage programs.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.
Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Bateman, Chapman, Riccelli and Slatter.

Minority Report: Do not pass.
Signed by Senators Muzzall, Ranking Member; Christian, Harris and Holy.

Minority Report: That it be referred without recommendation.
Signed by Senator Robinson.

Staff: Julie Tran (786-7283)

Background: Medicare is a federal health insurance program covering individuals 65 years

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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 Program, 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.

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

- that Medicare has proven to be an efficient and effective public health care program with administrative costs accounting for only a few 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; 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 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.

Staff Summary of Public Testimony: PRO: Medicare is a vital part of retirement security and it's a benefit that people all help to fund. This Senate Joint Memorial (SJM) is budget neutral and there should be a level playing field between the public and private Medicare programs. There needs to be action to strengthen the Original Medicare system as there is so much fraud from these private entities to provide these programs. It is important to remove the overcharging of the Medicare system and allowing Medicare beneficiaries a real choice about which program that they would prefer. Privatized Medicare Advantage plans are not well-suited for older retirees. Medigap policies are a barrier to lower income seniors. Leveling the playing the field would create equity for patients and provide financial stability for rural hospitals. Pass this SJM and continue honoring Medicare as the public good it was created and maintain the tradition of Medicare as the lowest cost and most effect health care program in the U.S.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Ed Weisbart MD, Retired Family Physician and Board Chair, Physicians for a National Health Program; Karen Richter, Puget Sound Advocates for Retirement Action, Co-President; Anne Watanabe; Ellen Menshew; Laurie Weidner, Retired Public Employees Council of WA; Kathryn Lewandowsky.

Persons Signed In To Testify But Not Testifying: No one.