

RESOLUTION IN OPPOSITION TO THE PRIVATIZATION OF MEDICARE

WHEREAS the PSC and its affiliated organization, the American Federation of Teachers, have previously declared that “access to high-quality healthcare is a basic human right”¹ and healthcare should be treated as a “public good”²; and

WHEREAS Medicare has been a highly successful program of government-funded health insurance for seniors since 1965, spending under 2% on administration so that 98% of money in traditional Medicare goes directly to health care³; and

WHEREAS PSC retirees rely on Medicare for health care in their retirement, and active members need to be able to rely on Medicare when they retire, so the continuing viability of Medicare is of vital concern to all members; and

WHEREAS since the start of Medicare, there have been continuing efforts to privatize Medicare, most significantly in 2003 with the introduction of Medicare Advantage plans, which profit by limiting member access to providers, tests, and procedures and has consistently cost the federal government more than traditional Medicare; and

WHEREAS employers (including public employers) are increasingly enrolling retirees in for-profit Medicare Advantage plans; and

WHEREAS in 2019, the Centers for Medicare and Medicaid Services Innovation Center (CMMI) developed a program to turn the administration of Medicare funds over to Direct Contracting Entities--for-profit intermediaries including insurance companies and hedge funds, as well as provider practices; and

WHEREAS after public outcry, CMMI has rebranded Direct Contracting Entities into “ACO (Accountable Care Organizations) REACH” but has not changed the basic structure of the program, with the goal of incorporating such entities into all of traditional Medicare by 2030⁴;

Therefor be it

RESOLVED, that the PSC opposes the continuing movement to force retired union members into private Medicare Advantage plans; and

RESOLVED, that the PSC opposes any other attempt to privatize Medicare, including through Direct Contracting Entities, ACO Reach, or any similar programs; and

RESOLVED, that the PSC will, as appropriate, support efforts by organizations working against the privatization of Medicare; and

¹ AFT Resolution: REIMAGINING OUR SOCIETY AND REWRITING THE RULES TO ENABLE OPPORTUNITY AND JUSTICE FOR ALL. (2020) <https://www.aft.org/resolution/reimagining-our-society-and-rewriting-rules-enable-opportunity-and-justice-all>

² AFT Resolution: A HEALTHCARE SYSTEM THAT WORKS FOR ALL BY 2025. (2020). <https://www.aft.org/resolution/healthcare-system-works-all-2025>

³ Kaiser Family Foundation. “The Facts on Medicare Spending and Financing.” (2019). <https://www.kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

⁴ Joyce Frieden. “Medicare Direct Contracting Demo Garners Critics and Defenders.” *Medpage Today*. February 4, 2022. <https://www.medpagetoday.com/practicemanagement/reimbursement/96497>

RESOLVED that the PSC will work to encourage our affiliates, AFT and NYSUT, to oppose all privatization of Medicare and act to reverse these private programs that drain resources away from actual health services.

Approved by the PSC Delegate Assembly, May 19, 2022.