

Election Outcome Could Bring Big Changes to Medicare

Critics say increasing insurers' control of the program would trap consumers in health plans that are costlier and can restrict care.

November 5, 2024 By Stephanie Armour and KFF Health News

On the campaign trail, both former President Donald Trump and Vice President Kamala Harris are eager to portray themselves as guardians of Medicare. Each presidential candidate accuses the other of backing spending cuts and other policies that would damage the health insurance program for older Americans.

But the election's outcome could alter the very nature of the nearly 60-year-old federal program. More than half of Medicare beneficiaries are already enrolled in plans, called Medicare Advantage, run by commercial insurers, and if Trump wins, that proportion is expected to grow — perhaps dramatically.

Trump and many congressional Republicans have already taken steps to aggressively promote Medicare Advantage. And Project 2025, a political wish list produced by the conservative Heritage Foundation for the next presidency, calls for making insurer-run plans the default enrollment option for Medicare.

Such a change would effectively privatize the program, because people tend to stick with the plans they're initially enrolled in, health analysts say. Trump has repeatedly tried to distance himself from Project 2025, though the document's authors include numerous people who worked in his first administration.

Conservatives say Medicare beneficiaries are better off in the popular Advantage plans, which offer more benefits than the traditional, government-run program. Critics say increasing insurers' control of the program would trap consumers in health plans that are costlier to taxpayers and that can restrict their care, including by imposing onerous [prior authorization requirements](#) for some procedures.

"Traditional Medicare will wither on the vine," said Robert Berenson, a former official in the Jimmy Carter and Bill Clinton administrations who's now a senior fellow at the Urban Institute, a left-leaning research group.

While the fate of Medicare has gotten scant attention so far in the campaign, the different visions under Trump versus Harris indicate the high stakes.

A candidate's position on protecting Medicare and Social Security is the most important health care issue, or among the most important, in determining 63% of Americans' vote in the presidential election, according to a September poll by Gallup and West Health, a family of nonprofit and nonpartisan organizations focused on health care and aging.

Medicare, which covers about 66 million people, is funded largely by payroll taxes. At age 65, most Americans are automatically enrolled in Medicare coverage for hospitalization and doctor visits, known as Part A and Part B, though others must sign up. Consumers must also sign up for other aspects of Medicare, specifically drug coverage (Part D) and supplemental plans from insurers that pay for costs that aren't covered by traditional Medicare, such as extended stays in skilled nursing facilities and cost sharing.

People on Medicare pay premiums plus as much as 20% of the cost of their care.

Medicare Advantage plans typically combine coverage for hospital and outpatient care and prescriptions, while eliminating the 20% coinsurance requirement and capping customers' annual out-of-pocket costs. Many of the plans don't charge an extra monthly premium, though some carry a deductible — an amount patients must pay each year before coverage kicks in.

Sometimes the plans throw in extras like coverage for eye exams and glasses or gym memberships.

However, they control costs by limiting patients to networks of approved doctors and hospitals, with whom the plans negotiate payment rates. Some hospitals and doctors refuse to do business with some or all Medicare Advantage plans, making those networks narrow or limited. Traditional Medicare, in comparison, is accepted by nearly every hospital and doctor.

Medicare's popularity is one reason both candidates are pledging to enhance it. Last month, Harris released a plan that would add benefits including care for hearing and vision, and long-term in-home health care. The costs would be covered by savings from expanding Medicare's negotiations with drugmakers, reducing fraud, and increasing discounts drugmakers pay for certain brand-name drugs in the program, [according to Harris' campaign](#).

Trump's campaign said he would [prioritize home care benefits](#) and support unpaid family caregivers through tax credits and reduced red tape.

The Trump campaign also noted [enhancements to Medicare Advantage plans](#) during his tenure as president, such as increasing access to telehealth and expanding supplemental benefits for seniors with chronic diseases.

But far less attention has been paid to whether to give even more control of Medicare to private insurers. Joe Albanese, a senior policy analyst at Paragon Health Institute, a right-leaning research

group, said “a Trump administration and GOP Congress would be more friendly” to the idea.

The concept of letting private insurers run Medicare isn’t new. Former House Speaker Newt Gingrich, a Republican, asserted in 1995 that traditional Medicare would fade away if its beneficiaries could pick between the original program and private plans.

The shift to Medicare Advantage was accelerated by legislation in 2003 that created Medicare’s drug benefit and gave private health plans a far greater role in the program.

Lawmakers thought private insurers could better contain costs. Instead, the plans have cost more. In 2023, Medicare Advantage plans cost the government and taxpayers about 6% — or \$27 billion — more than original Medicare, though some research shows they provide better care.

The Trump administration promoted Medicare Advantage in emails during the program’s open enrollment period each year, but support for the privately run plans has become bipartisan as they have grown.

“It helps inject needed competition into a government-run program and has proven to be more popular with those who switch,” said Roger Severino, lead architect of Project 2025’s section on the Department of Health and Human Services. He served as director of HHS’ civil rights office during the Trump administration.

But enrollees who want to switch back to traditional Medicare may not be able to. If they try to buy supplemental coverage for the 20% of costs Medicare doesn’t cover, they may find they have to pay an unaffordable premium. Unless they enroll in the plans close to the time they first become eligible for Medicare, usually at age 65, insurers selling those supplemental plans can deny coverage or charge higher premiums because of preexisting conditions.

“More members of Congress are hearing from constituents who are horrified and realize they are trapped in these plans,” said Andrea Ducas, vice president of health policy at the Center for American Progress, a liberal public policy organization.

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