

**From:** Jacobs, Chris (JEC)  
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**Subject:** Liberal Distortion on Medicare Affordability

In an [article](#) published by Health Affairs last week, researchers for the liberal Commonwealth Fund reported on a survey that concluded seniors in Medicare were less likely than those with employer-provided coverage to encounter problems with medical bills or experience access problems due to cost. There's only one problem with that claim — it's inherently illogical. As the Congressional Research Service noted back [in a 2009 report](#), traditional Medicare — that is, Medicare fee-for-service WITHOUT supplemental coverage — covers a percentage of expected health costs (i.e., actuarial value) between five and 15 percent LOWER than the average employer-provided health plan. So why would seniors report their Medicare coverage — which covers a smaller percentage of health costs — results in fewer cost-related problems?

The answer is simple: Seniors responding to the Commonwealth survey weren't just responding to their experiences in traditional Medicare — they were responding to their experiences with Medicare supplemental coverage. This paragraph buried in the Health Affairs article tells the true story:

The Commonwealth Fund survey does not ask Medicare respondents whether they currently have any supplemental coverage. However, respondents do list all current sources of insurance coverage, and 83 percent of adults age sixty five or older reported having Medicare as well as additional coverage through the individual market, an employer, or Medicaid. Given the relatively small sample size of those without supplemental coverage, we chose not to compare the experiences of those with and without such coverage.

The fact is, about 93 percent of beneficiaries have Medicare supplemental coverage, or participated in Medicare Advantage plans, according to the [Medicare Payment Advisory Commission](#).<sup>\*</sup> And with many of those supplemental policies offering first-dollar coverage, many seniors can go to any doctor they like, as often as they like, and not pay a single penny out-of-pocket for doing so. What's not to like?

Well, when it comes to the integrity of this study, there's a LOT not to like. The premise of the article — like the premise of virtually all of Commonwealth's work — is that government-run coverage is better than private coverage. And the fact that more than nine in ten seniors feel the need to obtain supplemental coverage to protect them from cost-sharing from the supposedly "affordable" Medicare

program proved an inconvenient truth to the article's researchers. So Commonwealth deliberately designed their survey not to ask about Medicare supplemental policies, and "chose not to compare the experiences of those with and without such coverage" — because to do so might show that in reality, traditional Medicare on its own, WITHOUT supplemental coverage, is much less popular than private health coverage. And the organization's ideological objectives — "government good, private sector bad" — wouldn't tolerate such a conclusion.

So both the survey, and the article resulting from it, are both inherently flawed and ideologically biased. The real question is why a journal like Health Affairs would ever publish such a piece in the first place.

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\* The Commonwealth survey noted that 83 percent of seniors have supplemental coverage; the difference between the 93 percent MedPAC number and the 83 percent figure in the Commonwealth survey likely reflects the fact that the latter survey did not specifically ask respondents to report Medicare supplemental policies.