

Labor Council of West Central Illinois

AFL-CIO

400 N.E. Jefferson, Suite 408, Peoria, IL 61603
Meetings 4th Monday 6:30 p.m. Peoria Labor Temple



November 29, 2022

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Honorable Cheri Bustos
1233 Longworth House Office Building
Washington, DC 20515

Dear Representative Bustos:

The West Central Illinois Labor Council passed the enclosed resolution at our meeting last night. We are extremely concerned about the planned ACO-REACH changes to Medicare. In your remaining days in Congress, please do all you can to express our fears to President Biden and others regarding allowing new third-party for-profit insurance carriers into the Medicare program. Please do not allow corporate entities to destroy Medicare or hasten its demise.

Thank you for your hard work over these last ten years. You have been a strong advocate for working people. We truly appreciate it and will miss you!

Sincerely,

Lisa Uphoff



**Resolution to stop a new Medicare program
backed by the Trump Administration
and now called Medicare ACO-REACH**

WHEREAS when seniors and retirees become eligible to apply for Medicare, the majority of them choose Traditional Medicare (the original program where Medicare pays the participating doctor directly) versus the Medicare Advantage Program, a “third party for-profit middleman insurance company” that is paid monthly by Medicare to manage patient’s care and authorizes payment to the patient’s doctor; and

WHEREAS the former Trump administration supported a new pilot Medicare program created by a section of CMS called CMMSI (Center for Medicare & Medicaid Services Innovation), and the new Medicare program named ACO-REACH (Accountable Care Organization-Realizing Equity, Access, and Community Health) claims to be a new Medicare value-based payment demonstration model, but it is actually a “third party for-profit insurance company” program that will rapidly drain away the Medicare Trust; and

WHEREAS this new program is set to be launched on January 1, 2023, with no current Congressional oversight; and

WHEREAS according to Physicians for a National Health Program, ACO-REACH allows doctors and their offices to convert a patients’ Traditional Medicare choice into ACO-REACH coverage without first informing their patients about the change nor getting their patients’ written permission; and

WHEREAS doctors and their offices will have a financial incentive to convert to ACO-REACH coverage as they will also be allowed to keep up to 40% of their revenue that they don’t spend on health-care services as overhead resulting in a “windfall profit” versus Traditional Medicare Programs that are only allowed to keep the balance of 2% of their revenue after paying for overhead; and

WHEREAS doctors and their offices will have an additional financial incentive as ACO-REACH will pay money to treat their patients with more complicated diagnoses by allowing doctors to “up code” additional diagnoses. (Up-coding is a practice that has led to fraud by exaggerating or including related, but unnecessary, diagnoses, leading to higher costs); and

WHEREAS President Biden at an April 2019 rally in Pittsburgh – where he kicked off his campaign for the White House – called himself a “union man,” and

WHEREAS if the Biden/Harris Administration does not *stop* the deployment of Medicare ACO-REACH by HHS/CMS now, it potentially could make things worse since the Congressional Budget Office has already projected the insolvency of the Medicare Hospital Trust in 2026 that could affect 52.6 million seniors whose care is provided by the Trust,

NOW THEREFORE

BE IT RESOLVED that the Labor Council of West Central Illinois opposes CMMSI’s Medicare ACO-REACH program and respectfully asks the Biden/Harris administration to immediately stop and dismantle the ACO-REACH Program, and instead, immediately protect and preserve Traditional Medicare plus adding coverage for Hearing, Vision and Dental Care.