



Resolution to Stop the Privatization of Traditional Medicare via the proposed ACO-REACH Program

Whereas, a new program started under the Trump administration introduces a way in which those on Traditional Medicare can be moved to a for-profit insurance model without their consent using the program known as ACO-REACH, which at the present time is under no Congressional oversight, and allows its insurers to keep up to 40% of their revenue as profit and overhead, thereby giving them a dangerous financial incentive to restrict care for seniors; and

Whereas, Medicare will pay these programs more money for patients with more complex diagnoses, thereby providing a strong incentive to engage in a fraudulent practice known as “up coding,” meaning that they exaggerate the coding of seniors’ diagnoses, resulting in higher costs to Medicare than if the seniors were in the Traditional Medicare program, thereby making it likely to produce insolvency of the Medicare Trust in 2026 which has been projected by the Congressional Budget Office; and

Whereas, the fundamental difference between for-profit health insurance models and Traditional Medicare is that for-profit insurance limits care in order to provide maximum profit for its shareholders through narrow networks, requiring pre-approvals, and denials of care;

Therefore be it resolved that the Sonoma County Democratic Party recognizes the danger that the ACO-REACH privatization plan poses to Traditional Medicare; and

Be it further resolved that the Sonoma County Democratic Party will send a letter to Xavier Becerra, Secretary of Health and Human Services, with copies to President Joseph R. Biden, Senators Dianne Feinstein and Alex Padilla, and our Congressional delegation, Representatives Jared Huffman, and Mike Thompson, alerting them to the danger to Traditional Medicare and the need for termination of the ACO-REACH program before it is scheduled to start in January 2023.

Resolution adopted by the Sonoma County Democratic Party on October 11, 2022

The Sonoma County Democratic Party (SCDP / Sonoma County Democratic Central Committee) is the official governing body of the Democratic Party in Sonoma County. The SCDP works in cooperation with the California Democratic Party (CDP) and the Democratic National Committee (DNC). Public meetings of the Sonoma County Democratic Party are open to all registered Democrats.