

The Medicare-X Choice Act of 2019

While the Affordable Care Act expanded health insurance coverage to an additional 20 million Americans, established critical protections for patients with preexisting conditions, and created a standard for essential health benefits, too many Americans still live in areas with limited competition and high health care costs in the individual market. *The Medicare-X Choice Act* builds on the Medicare framework to establish a public plan as an option on the individual and small business health exchanges.

Establishment and Plan Availability.

In 2021, the plan will be available in rating areas where there is only one or no options on the Exchange. The plan would also be available in counties where there is a shortage of health providers or a lack of competition that results in exorbitant costs for residents. By 2024, the public plan would be available throughout the individual market. In 2025, Medicare-X would be available as an additional option on the Small Business Health Options Program (SHOP) Exchange.

The bill allows the Secretary to contract with outside entities to process claims or administer other additional components of the plan, such as appeals or a call center. This includes contractors that currently administer certain functions for traditional Medicare. The bill also directs the Secretary of Health and Human Services to gather data from State Insurance Commissioners in order to set adequate premiums.

Benefits.

The Medicare-X plan would cover essential health benefits to align with other plans offered on the Exchange. Benefits like maternity and newborn care, as well as pediatric services, are optimally suited for Americans under 65, making it practical for families. The bill directs the Secretary to create options in at least the silver and gold metal tiers with flexibility to add bronze and platinum options. Cost-Sharing Reduction payments will be available to plan enrollees and the current income cap for Advance Premium Tax Credit eligibility will be lifted, allowing more people to access to these credits.

Provider Network Reimbursement Rates.

Providers who participate in Medicare would also accept Medicare-X patients. The bill directs the Secretary to enroll additional providers who may not participate in Medicare today, such as pediatricians and OB/GYNs. The bill also reimburses providers at Medicare rates, with flexibility for the Secretary to reimburse up to 125% of Medicare rates for hospitals and physicians located in rural areas.

Prescription Drugs.

The bill gives the Secretary the authority to negotiate drug prices under Medicare Part D and permits the public plan to participate in those arrangements to ensure access to affordable prescription drugs. The Secretary is encouraged to utilize value-based payment arrangements for prescription drugs.

Delivery System Reform for an Enhanced Health Plan.

The bill directs the Secretary to use outcomes-based alternative payment models that are aimed at care coordination for patients with chronic conditions. Providers would use innovative technology, such as telehealth and remote patient monitoring, and integrate social services like food, housing, and transportation.

Funding.

The bill will set premiums to cover the full actuarial cost of the plan, including administrative costs.

Traditional Medicare.

The *Medicare-X Choice Act* would have no effects on benefits offered through Medicare Fee-for-Service (FFS), Medicare Advantage, or the Medicare trust fund.