A Banker in the Exam Room?
The Growing Resistance to Medicare Privatization

Featuring Dr. Ed Weisbart

Physicians for a National Health Program board member

Dispatcher: *911, what's your emergency?*

Caller: *America's healthcare system is broken and people are dying! (ambulance siren)*

Welcome to **Code WACK!**, where we shine a light on our callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**. This time on **Code WACK!** What's the latest with Direct Contracting Entities and the assault on traditional Medicare by Wall Street and the insurance industry? Who makes up the growing resistance to this program of the Center for Medicare and Medicaid Services and what are they doing to stop it? We recently spoke to **Dr. Ed Weisbart,** a retired family physician, former chief medical officer of Express Scripts and a national board member of Physicians for a National Health program, to get an update on some troubling developments.

(5-second music stinger)

Welcome to Code WACK! Dr. Weisbart.

Weisbart: Thank you, Brenda. How nice to see you.

Q: Thanks for joining us for an update on the latest moves to change Medicare. Last time we spoke was in October, 2021. At that time you explained what Direct Contracting Entities are, the danger they pose to traditional Medicare and the campaign Physicians for a National Health Program is leading to stop them. Could you give us a brief overview of DCEs? What are they and how do they work compared to traditional Medicare?

Weisbart: Well, thanks. I appreciate your talking about this. It's a huge topic – really important. In 2020, the Trump administration launched a new experiment to privatize traditional Medicare, turning everybody who is in traditional Medicare today over to a new entity that is invested in by Wall Street – run by the for-profit (healthcare) industry and is most able to make money by reducing how much care, how much people get. So they're currently live.

Medicare is currently going through their claims history on everybody in traditional Medicare and they're determining who they think your primary care physician has been and if your primary care physician has joined one of these new organizations, Medicare assigns you without asking you to one of these new organizations that are a lot like the Medicare Advantage plans that people in traditional Medicare chose not to be in. You still have traditional Medicare, but they're moving you into this new organization that's the first time ever for traditional Medicare to have a for-profit Wall Street investment community designed to make money off of you rather than letting Medicare just provide health care to you.

Q: Uh-huh. And how is this like the Medicare Advantage plan?

Weisbart: It's like the Medicare Advantage plan in that Medicare no longer pays your doctors and hospitals directly for you, but instead they're paying this other organization

for your health care and this other organization's primary interest is making a return on investment to Wall Street, much like Medicare Advantage plans are primarily trying to, you know, serve their poor for-profit needs. You have a new financial middleman stuck in the middle of your health care. I heard somebody say a couple days ago. 'Well gee, now I've got a doctor in my health care. I've got a nurse involved in my healthcare, but what I've really needed is a banker involved in my health care.' So hooray this new program introduces a banker into your health care. That's really dangerous.

Q: Wow, so are people already enrolled in this program?

Weisbart: Yes, we don't know how many. Medicare's not telling us that. We've heard at least 300,000 and maybe many millions of people in traditional Medicare without being asked and barely being notified are already being plucked out of their simple relationship and assigned to one of these new organizations. They're all over the country. Medicare has announced that they plan to have 100% of people pulled out of traditional Medicare and pushed into one of these new programs by the year 2030. Technically, they're still in traditional Medicare and can still go to any doctor that accepts traditional Medicare, but realistically, there's now a for-profit entity that's now focused on making profits rather than maximizing your health. I don't want that involved in my health care.

Q: Hmm. Have we heard any first hand stories yet?

Weisbart: Not yet. It's too new. We have lots of stories like that about Medicare Advantage, where we know that the sicker you are, the more likely you are to be unhappy and the more likely you are to want to get out. Medicare Advantage works just great if you're not sick but that's not when you … actually need health care. This program is too new for us to have much experience with it. But that's why it's so important for programs like Code WACK! to cover this because it's not that big yet. It's not too big to fail. It's not too big for us to say, 'Hey, here's the alarm bell.' Congress turn this program off. Stop this program.

Q: Okay. Question, is the new entity called ACO Reach or A-C-O Reach?

Weisbart: Technically, the name is the ACO Reach Model, but we just call it Reach.

Q: Is it the same thing now as a Direct Contracting Entity or what is A-C-O Reach?

Weisbart: Yeah, it is essentially the same thing only in some ways worse. It's the same in that it's got middlemen in the exact same way I was describing and these middlemen can keep potentially as much as 40% of what Medicare pays them. You know, traditional Medicare spends 98% out of 100% of the money they get, they spend 98% of that on health care and not on overhead or profit. The insurance industry spends more like 85% and keeps 15% for overhead and profit. Whereas these new organizations – DCEs and now the Reach entities – are allowed to spend as little as 60% on health care and keep 40% for overhead and profits. Most will probably be in the 20-25% range, but still way worse. So anyway, that's the same, auto enrollment where Medicare assigns you is the same. The lack of limits on the size of these is the same. The incredibly wrong direction of this is the same.

But what happened was the Direct Contracting program got exposed and the country started to rile up against it and, and Medicare recognized, 'oh my gosh, people know what Direct Contracting is. This DCE acronym is getting radioactive. We have to change something.' And so they did. A few weeks ago, they issued a new program that's called, as you said, A-C-O Reach and we did a line-by-line comparison of what they've promoted so far about this new program versus the old DCE program and it's the same with a couple of key exceptions. The new organizations are able to actually make more money than the old ones were probably going to make and the new ones bear less financial risk if they don't do a good job than the old ones. So it's worse in that sense. You know it's more profitable for these folks that are just raiding the Medicare trust fund.

And they can do that without taking as much risk. Now they did put in a lot of lip service to improving health equity because that was one of our charges was 'your program doesn't do enough for health equity.' So the new program has a lot of lip service for improving health equity, which egad is an important problem, but it is at best lip service, the things that they're doing about health equity. I'm not kidding you. They've distributed to these new organizations, a fill-in-the-blank, design-your-own health equity plan. It looks like something you'd give a fifth grader, fill in the blank and design your own

health equity program when you want to be one of these new programs. Aside from how incredibly simplistic it is, there's other problems. Number one, they get paid more for having that program. Number two, they're not obliged to actually improve health equity.

And number three, this to me is Medicare overtly throwing their hands up into the air and saying, ‘we have no idea how to fix health equity.’ So all y'all come out and give us your own fifth grader plan to improve health equity. So No. 1, it means no plan from Medicare, but No. 2, it means there's going to be more than a hundred different plans to improve health equity. None of which could possibly be scaled large enough to actually have meaningful results…It’s just terrible.

Q: Yeah. My colleague Georgia calls it equity washing.

Weisbart: That's exactly right. It's equity washing.

Q: Got it. So just to confirm. Are DCEs still a thing now or are there only these Reach entities?

Weisbart: The Direct Contracting model continues until Dec. 31st of 2022 and then it ends and the A-C-O Reach model starts Jan.1st, of 2023 and some of them are able to actually start in August of 2022, but as of Jan. 1st, 2023, there won't be any Direct Contracting Entities and they will all probably become these new Reach programs. So Medicare has announced that the current Direct Contracting Entities don't have to reapply to become a Reach (entity) as long as they say, ‘we're in compliance with what the DCE rules were,’ as long as they testify, they're in compliance and they fill out a fill-in-the-blank equity program and a few minor things like that. They don't have to even reapply so virtually all of the 99 Direct Contracting Entities today will become Reach A-C-O’s in 2023 and then we don't know how many more. There is iterally, there’s no limit on how many more there will be approved for in 2023.

Q: Got it. Recently Recycle Intelligence reported that more than 200 organizations have come out against A-C-O Reach calling for the program to be terminated completely. And full disclosure, our parent organization, California OneCare (Education Fund) has joined the opposition out of concern that the program will

eventually lead to patients losing their freedom to choose their providers. What other organizations are opposing it and why?

Weisbart: It's actually north of 250. So hooray, you know, that it's resonating. The organizations are all over the country and they're of all different sizes. So it's some of the more widely recognized organizations like Public Citizen and Social Security Works and Just Care and Physicians for a National Health Program that I'm part of. So, you know, fairly good size, large national organizations and then medium size and small ones. So chapters of the older Women's League, some faith-based groups, Missouri Consumers Council, you know… The reason that's important is that this demonstrates that there's No. 1, it's geographic. It's not just, you know, a handful of people. It's the whole country that's speaking out against this and No. 2, it's deep in the country. It's broad and it's deep. So all sorts of different organizations are joining this resistance movement. So, you know, when that happens, you usually win, but my gosh, we got to win quickly so that this doesn't hurt people along the way.

Q: Yeah. And what are some of the main reasons that you're hearing that there's such concern about this?

Weisbart: People don't trust the investment community as having any real interest in improving their health and they have viewed traditional Medicare as sacred almost, you know, sacrosanct as this is the one last little vestige we have of a really well-performing healthcare system and 'I had to wait until I turned 65 to get into it and I paid into it for many years and now I've got it. And you're going to think of messing with my Medicare? Not so fast, buddy.'

So they're afraid that having venture capital and private equity and the insurance industry involved is going to disrupt the care that they so desperately want to hold on to. They're concerned that there's going to be people misguiding their healthcare decisions. You know, they're concerned that this now suddenly puts their trusted primary care physician into a somewhat conflicted role, right? Because the primary care physician is going to now be under some pressure from these new organizations to direct their referrals inside of the Reachs' preferred network.

Something happens to all of us and when that something happens to you, probably the first place you're going to go for guidance on, what do I do now is you'll go to your primary care doc and say, ‘Hey, you know, I saw on the internet, this looks like the best place to go. What do you think?’ You'll probably still get really good advice from your doctor because most doctors want to give you the absolute best care that they can. But suddenly if you're in traditional Medicare, you don't know because now your doctor's going to be under financial pressure for the first time ever for the first time ever in traditional Medicare, your doctor's going to be under financial pressure to work within the reaches – what Reach wants to happen to you. And we don't have experience with this yet, but we know every other time that's happened from dialysis center to nursing homes, to hospitals to take your pick any other time that this has happened, it gets worse for patients and more profitable for industry and that's exactly the wrong direction.

Q: Thank you Dr. Weisbart. What's the status of the project now and what is the best case scenario and the worst case scenario from your perspective?

Weisbart: So at the moment the status is it's live and it's getting bigger. There are 99 of these entities today. We don't know how many of these Reaches there's going to be in 2023, but unless we succeed more – maybe hundreds, we have no idea – they will get more patients assigned to them. That's all afoot. But we have growing resistance and growing reason to hope that the resistance will be increasingly successful.

In the last few weeks, we saw 54 members of Congress for the first time raise their voice and say, ‘this is unacceptable.’ Medicare, you have to stop this immediately. That's a result of all the grassroots organizing we've been doing.

Q: Mmm wow. So what can we the people do about this?

Weisbart: First is learn more. There's a lot of good high-level and in-depth information, if you go to our organization, Physicians for a National Health program or pnhp.org. And you'll find a ton of both high level summaries and deep analysis. The second thing is when you go there, sign the petition. You know, we have a petition for individuals to sign. We've had, I think more than 13,000 individuals signing saying that they think that

this should be stopped. Ask any organization you're part of to sign the organizational petition, which is also on the website.

So If you're in a church group, if you're in a union, if you're in any, you know, large or small organization, we'd love to have your organization. Then the third thing is call your member of Congress and just tell them, ‘Hey, I want you to know I've learned about the Reach program. I've heard about your trying to privatize Medicare. I've heard about these DCEs and I want you to stop it. I want you to become a Medicare protector, not a Medicare assaulter… and I’ll know if you do that and I'll vote against you if you do that.

Q: Wonderful. Thank you so much. Is there anything else you want us to know?

Weisbart: This is a winnable short-term fight. If we don't win it by the year 2030, everybody who has Medicare today will have a banker in their exam room. Anybody who has Medicare today will have a doctor if they have one, a nurse, if they have one and the investment community deeply involved in making a profit off of you not getting health care, everyone in traditional Medicare.

Thank you, Dr. Ed Weisbart.

Do you have a personal story you'd like to share about our ‘wack’ healthcare system? Contact us through our website at heal-ca.org.

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