

Medicare's Future: Reform or Restructure?

Report Provides Alternatives for Controlling Medicare Costs within Its Current Framework

A report released today examines current strategies for controlling Medicare spending and suggests alternatives that would allow the U.S. to retain Medicare's current structure.

Prepared by Robert Berenson and John Holahan of the Urban Institute, the report points out that much of the current discussion about reforming Medicare ignores both the enrollment growth related to the retirement of the baby boom generation, and the cuts in the Affordable Care Act (ACA) of about \$500 billion over 10 years.

The authors say that Congressman Paul Ryan's (R-WI) proposal to privatize Medicare would likely increase overall spending and shift more costs to beneficiaries. Private insurers do not have Medicare's ability to control rates of payments to strong provider systems. Berenson and Holahan propose several alternatives to consider once the ACA's cuts have been implemented.

- Increasing premiums for those earning more than 300 percent of the federal poverty level, while reducing premiums for those with incomes below that level;
- Gradually increasing the eligibility age from 65 to 67;
- Improving the coordination of care for those dually eligible for Medicaid and Medicare;
- Increasing efforts aimed at reducing Medicare fraud and abuse; and more.

The authors say these changes can be adopted while still retaining the most beneficial aspects of the current Medicare program, including its significant leverage in negotiating with providers.

- [Read the report.](#)