



**Immediate Release**

# NEWS RELEASE

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## **Beyond the Candidate Debates: Details Matter for Medicare Premium Support Reforms**

Actuaries Release Voter Guide on Medicare Reform Model

**WASHINGTON – 9 Oct. 2012** – A premium support model has been advocated by some as a way to bolster the Medicare program’s long-term financial solvency. Under premium support proposals, Medicare beneficiaries would receive government funds to use toward paying the premiums of health plans of their choice, with possibly the traditional Medicare program being one of the choices.

The non-partisan American Academy of Actuaries today released a [voter guide](#) on premium support reforms to provide objective information on the potential benefits and pitfalls of shifting Medicare to a premium-support model. Whether premium support would encourage insurers to develop more cost-efficient health care models, as advocates contend, or shift additional costs onto seniors, as opponents contend, depends on how the details of the program are developed.

The guide highlights the details that matter when determining how a premium support model would affect beneficiaries and Medicare spending. These include:

- How the government contribution is set and how it grows over time.
- Whether the traditional Medicare program is retained as a plan option.
- How the benefit package is defined.
- Whether there is additional financial protection for low-income beneficiaries.
- When the transition to premium support takes place.

(more)

“Without such specifics, it makes it difficult to determine how beneficiaries would fare under premium support and whether specific proposals could or would slow the growing costs of Medicare,” said Cori Uccello, Senior Health Fellow at the American Academy of Actuaries. “Our aim is to highlight the possible implications of premium support and how the details, if and when they are provided, would affect Medicare so that voters and elected officials can make informed decisions.”

Medicare faces long-term financing issues, and, while the Affordable Care Act contains several provisions that improve the financial viability of Medicare, additional steps are needed to ensure the program’s long-term solvency and sustainability. The American Academy of Actuaries is encouraged that politicians and voters have focused on Medicare during this election and hopes these discussions can lead to action next year to put Medicare on firmer financial footing.

For more information or to arrange an interview with an actuary, contact Doug Abrahms at 202.785.7886. For more information on the Academy, please visit:

[www.actuary.org](http://www.actuary.org).

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.