

**FICTION VS. FACT –
the Administration’s Veto Threat on the CHAMP Act**

ADMINISTRATION CLAIM	CHAMP ACT FACTS
The CHAMP Act “jeopardizes the long-term solvency of the Medicare Trust Fund”	According to Secretary Leavitt’s own Chief Medicare Actuary, CHAMP’s elimination of billions of dollars in overpayments to private plans actually lengthens solvency of the Medicare Trust Fund by three years.
“The President believes that the generous enhanced match rate available under SCHIP should be limited to low-income children.”	The CHAMP Act doesn’t change current CHIP law on eligibility levels. The states that have gone further to cover higher income families and parents have done so through waivers granted by Secretary Leavitt. If he doesn’t want to grant the waivers, he simply shouldn’t sign them.
“[Medicare Advantage] payment are so draconian that the likely effect will be to eliminate the private Medicare Advantage option.”	<p>Private Plans came into Medicare saying they could provide better care cheaper. They were initially paid 95% of the fee-for-service rate.</p> <p>In 1999, AHIP’s own President, Karen Ignagni stated, “Wed like to see parity... (either) exactly the same or closely to 95%”</p> <p>The CHAMP Act isn’t asking the private health plans to meet their original commitment to provide Medicare’s benefits for less. It simply says they should be paid the same as fee-for-service Medicare.</p> <p>That’s fair competition. Plans that were in at 95% should be able to make it at 100%.</p>
“The fact is that Medicare Advantage Plans provide on average of \$1000 in additional benefits per year to individual Medicare beneficiaries enrolled in these plans.”	While private plans may provide a free gym membership or a pair of eyeglasses to senior citizens, neither they nor the Bush Administration advertise that they charge MORE for a variety of Medicare-covered services. Medicare charges no copayment for home health. Most private plans, on the other hand, charge a 15 or 20% copayment. Similarly, they often charge more for hospitalizations, nursing home stays, chemotherapy, and wheelchairs and other durable

	<p>medical equipment.</p> <p>The CHAMP Act improves Medicare benefits for all beneficiaries – not just the less than 2 out of 10 in private plans.</p> <p>CHAMP eliminates all cost-sharing for preventive benefits and speeds the adoption of new preventive coverage by granting the Medicare agency the power to add new services. It also provides mental health parity by lowering Medicare’s discriminatory 50% copayment for outpatient mental health treatment to the standard 20% level.</p> <p>For low-income beneficiaries, the CHAMP Act expands access to financial assistance programs that help with premiums, copayments, and drug costs.</p>
<p>“these cuts will likely have a negative impact on availability in rural areas of our country.”</p>	<p>The CHAMP Act invests directly in rural health providers – increasing payments for doctors, hospitals, labs, and home health agencies which care for those in our rural areas. That’s why the bill is endorsed by the National Rural Health Association.</p>
<p>“This legislation is a wholesale move to government-run health care for large classes of children (including “children” up to 25 years old) and for Medicare beneficiaries”</p>	<p>This bill is nothing of the sort. Medicare is already a government program – sorry to disappoint. And, the CHIP program is a federal-state program that provides private insurance coverage to children. It was written and passed by a Republican Congress and has enjoyed bipartisan support.</p>