

**2023-6 Resolution to Stop Destroying the Medicare Trust Fund
with ACO REACH
Adopted April 20, 2023**

WHEREAS, Medicare charges 1-3% to administer its public healthcare plan for Seniors 65+, yet Health and Human Services (HHS) allows Medicare Advantage private health insurance companies to charge 15% and ACO REACH an even more egregious 40% for their own profits, leaving only 60% for clinical care with ACO REACH, contracting with administrators of healthcare physician groups, without patients knowing they are being moved to such plans, which are decimating the taxpayer-funded Medicare Trust Fund at an increasing rate; and

WHEREAS, the most lucrative business for private health insurance companies is the Medicare-aged Medicare Advantage and ACO REACH segment, those companies have been proven to further increase their profits by fraudulent practices such as upcoding: exaggerating the severity of a diagnosis in order to code a more expensive fee payment from the Medicare Trust Fund; and

WHEREAS, quality of outcomes has been proven to be worse under such private health insurance plans for patients with bad diagnoses who are more expensive for those plans to treat, such patients can be dropped from those plans, are systematically denied care, required to get pre-approvals, limited by narrow provider networks unlike Medicare which allows patients to see any physician, those private plans also severely degrade access in rural and poorer areas where medical practice is limited to begin with, further exacerbating the already inequitable delivery of quality healthcare;

THEREFORE BE IT RESOLVED that the San Mateo County Democratic Party (SMCDP) recognizes the grave danger the ACO-REACH privatization plan poses to the solvency of the Medicare Trust Fund, and to Medicare patients who are put into its plans without even knowing it, without their agreement; and

THEREFORE BE IT FURTHER RESOLVED that SMCDP requests Secretary Becerra, President Biden, Senators Padilla and Feinstein, Congresswoman Eshoo and Congressman Mullin, to stop ACO REACH immediately, which has 2.1M patients already enrolled, and to analyze the similar business model for Medicare Advantage with 30M patients enrolled, both of which increase the inequities between the well-employed vs. the majority of residents, further limiting access of care to underserved communities.