

# Resolution

## To Stop the Privatization of Traditional Medicare Sponsored by Physicians for a National Health Program

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**The Resolution was endorsed by the Sonoma Valley Democratic Club at their General Meeting on September 26, 2022**

**Whereas**, a new program started under the Trump administration introduces a way that those on Traditional Medicare can be moved into a for-profit insurance model without their consent using the program known as **ACO-Reach (Accountable Care Organization- Realizing Equity, Access and Community Health)** formerly known as **DCEs (Direct Contracting Entities)** and

**Whereas**, at the present time there is no Congressional oversight of this program, and

**Whereas**, despite an endless barrage of deceptive advertising, the majority of those eligible for Medicare have chosen Traditional Medicare over for-profit insurance offered as Medicare Advantage (MA) and

**Whereas**, **ACO-REACH (formerly DCEs)** programs are allowed to keep up to 40% of their revenue that they don't spend on healthcare services as profit and overhead; thereby, giving them a dangerous financial incentive to restrict seniors' care and

**Whereas**, Medicare pays **ACO-REACH (formerly DCEs)** programs more money for patients with more complex diagnoses; therefore, **ACO-REACH** programs, like Medicare Advantage, have a strong incentive to engage in a fraudulent practice known as "up coding," meaning that they exaggerate the coding of seniors' diagnoses, resulting in higher costs to Medicare than Traditional Medicare and,

**Whereas**, the fundamental difference between for-profit health insurance and Traditional Medicare is that for-profit insurance limits care to provide maximum profit for its shareholders through narrow networks and denial of care and

**WHEREAS**, Traditional Medicare limits that risk to the patient by not requiring pre-approval for treatment and offering complete choice of doctors and hospitals and

**Whereas**, the Congressional Budget Office has projected insolvency of the Medicare Hospital Trust in 2026 which provides care for 52.6 million seniors,

**Therefore be it resolved**, that the **Sonoma Valley Democratic Club** send a letter to Xavier Becerra, Secretary of Health and Human Services, and President Joseph R. Biden demanding that the **ACO-REACH (formerly DCE)** program be terminated..