

Restoring Full Medicare Benefits for Dually Eligible Beneficiaries with Medicare and Medicaid Will Decrease Healthcare Discrimination in Louisiana and Nationwide

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Louisiana healthcare policy discriminates against 108,000 of the oldest, poorest, sickest, and most disabled people in the state. These are dually eligible people. They are poor Medicare beneficiaries who also have Medicaid. The Congressional Balanced Budget Act of 1997 allowed states to decrease their share of the Medicare payment for these poor Medicare beneficiaries. Nationally, this Act allowed five million poor Medicare beneficiaries to receive less physician reimbursement than wealthy beneficiaries and created a discriminatory, two-tiered Medicare system. Restoring full Medicare payment for dually eligible people will improve access to medical care and mental health services, decrease our state nursing home budget, stop civil rights violations, and decrease state-induced healthcare disparities.

In 2000, Louisiana joined two-thirds of all states and decreased payment for poor Medicare beneficiaries. In 2003, a Report to Congress proved the Balanced Budget Act decreased their access to primary medical care 5% and decreased their access to mental health services 21%. Poor Medicare beneficiaries in Louisiana and nationwide are disproportionately elderly African Americans and mentally and physically disabled people. These groups have long histories of suffering discrimination and are protected by the Civil Rights Act of 1964 and the Americans with Disabilities Act:

- Wealthy Medicare beneficiaries get full Medicare benefits, while poor beneficiaries get *partial* Medicare benefits. Because African-American Medicare beneficiaries in Louisiana and nationwide are disproportionately poorer than White beneficiaries, they suffer a disproportionate decrease in healthcare access. This violates the Civil Rights Act.
- Healthy and wealthy Medicare beneficiaries get full Medicare benefits, while poor beneficiaries with severe mental and physical disabilities get *partial* Medicare benefits and decreased healthcare access. This violates the Americans with Disabilities Act.

For dually eligible people, Medicare is primary payer for community medical care; Louisiana Medicaid is primary payer for their nursing home care. As access to community medical care decreases, nursing home admissions increase; this shifts their financial burden from *federal Medicare* dollars to *Louisiana Medicaid* dollars. Dually eligible people already fill two-thirds of all nursing home beds.

Decreasing Medicare payment hurts Louisiana healthcare recovery after Hurricane Katrina and heightens our mental health crisis. Louisiana allows 88% of the Medicare payment for dually eligible people in 60 Louisiana parishes; but in Katrina-damaged Orleans, Jefferson, St. Bernard, and Plaquemines parishes, Louisiana allows only 82% of the Medicare payment.

It will cost Louisiana Medicaid about \$20 million to restore payments. Medicaid is a federal-state program; the federal government will pay about \$14 million, and Louisiana will pay about \$6 million. All Medicare beneficiaries worked, paid payroll taxes, and earned the same Medicare benefits. A government policy that decreases reimbursement for Medicare beneficiaries solely because they are poor decreases access to health care and causes disproportionate harm to elderly African Americans and mentally and physically disabled people in Louisiana and five million people nationwide. To read the full report or view the New Orleans City Council video presentation, visit <http://www.nacdep.org>.