

Context for Medicare policy

ISSUE: MedPAC’s March Report to the Congress includes an introductory chapter that puts the Commission’s recommendations within the broader budget, policy, and health care delivery context in which the Medicare program operates. This chapter is motivated by the Commission’s recognition of the long-term financial difficulties of Medicare and the need to improve and sustain the program for current and future beneficiaries and taxpayers. The chapter also responds in part to a mandate within the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 that the Commission should keep efficient providers in mind as it conducts its annual evaluation of payment adequacy.

KEY POINTS: The draft chapter reports on projections of Medicare’s long-term financial situation, how Medicare fits within the broader U.S. health care system, and opportunities and constraints that the broader system presents for carrying out changes to Medicare.

ACTION: Commissioners should provide comments on the scope, substance, and tone of this draft chapter for the March 2007 report.

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