



The Daily Dish

Medicare Follies

DOUGLAS HOLTZ-EAKIN | JUNE 10, 2025

Here we go again. Having yielded to the protests that Medicaid reforms in the reconciliation bill are somehow unneeded or ill-intended, the Senate has, as [media reports](#) indicate, turned to cutting the most functional aspects of Medicare. This seems bizarre, given the president's earlier dictum that Medicare (and Social Security) were off-limits.

Even more bizarre, the focus seems to have settled on Medicare Advantage (MA), the value-based alternative to the costly, volume-oriented traditional fee-for-service (FFS) program. This would occur even as, for the first time, more beneficiaries are enrolled in MA than FFS. The popular MA program is expected to continue to grow and become the backbone of the Medicare program. It is perverse timing, indeed.

Proponents of MA cuts will swear that *beneficiaries* will be unaffected - only the MA *plans* will face any cuts. This trick of wishful legalese would allow them to adhere to the president's dictum and still cut resources to MA. Unfortunately, the logic just does not fly. It is equivalent to eliminating the aviation fuel needed for the cargo and arguing that the passengers will be just fine. Uh oh.

And when gravity prevails, the beneficiaries will land in the one place they should not be allowed to: FFS. Congress has spent two decades creating legislation (remember [MACRA](#)?) and agencies (remember [CMMI](#) and its [failure](#)?) intended to transform FFS away from what it remains: a funnel for taxpayer dollars to be delivered to hospitals and providers without comprehensive attempts to coordinate care or measure quality. It would be an enormous step backward.

Would MA benefit from reforms? Absolutely, as it will be even more important in the future. Should these - or any - reforms be done in a hasty, partisan fashion where the only metric of success is less spending? Absolutely not.