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Medicare and you and the RPEA – A Commentary by RPEA President Burns

As you know, the RPEA is a non-partisan organization. Therefore, we do not endorse candidates for public office at either the state or federal level. However, the RPEA does respond to issues that would affect our retiree benefits.

Under the State's healthcare plan for both defined benefit (DB) and defined contribution (DCR) retirees, once a retiree reaches age 65, Medicare becomes our primary medical insurance plan/provider and Aetna – AlaskaCare's current medical insurance provider – becomes secondary to Medicare. This raises some complex issues for the RPEA, because, unfortunately, as most of you are no doubt aware, Medicare and Medicaid have been the source of significant budgetary debates over the last two years.

When Congress passed the One Big Beautiful Bill (OBBB), H.R. 1 – Public Law 119–21 in 2025, it adopted substantive cuts to both Medicaid and Medicare, cuts which have been spread out over subsequent years. These cuts to programs that affect millions of Americans, have had – and are now having – significant impacts on poor and disabled Americans (Medicaid) and Americans over 65 (Medicare). The Medicare cuts introduced new limits on who can qualify for Medicare, reduced help for low-income seniors, and set the stage for major funding cuts (such as ones now being proposed).

Members of the RPEA Executive Board and Health Benefits Committee have recently been working through some of the many changes being proposed by the Centers for Medicare and Medicaid Services (CMS), most of which are – to use a purposefully dramatic word here – draconian in their reach and impact.

Therefore, as the RPEA President, I want to simply state that in my opinion there is no way to discuss the potential impacts of the many proposed changes being noticed by CMS without raising issues that may seem partisan to some RPEA members. As we go forward in the months ahead, please know that we will be as factual as we can, but our comments on these proposals may express criticism and point out the very negative impact on Medicare retirees that many of these forthcoming changes could have on the level and quality of your healthcare.

One very clear example, to place my comments in context: CMS is proposing a rule change to take effect calendar year 2027 that will substantially impact many doctors practicing in a variety of fields, and it will impact all of us now on Medicare.

CMS is proposing a **50% Medicare payment cut** for certain *same-day services*. According to an article from the Washington Post Intelligence's (WPI's) *Health Brief*, doctors across the country are mobilizing against this proposed rule because it would affect how they bill when a procedure and a separate office visit happen on the same day.

For example, a patient visits a dermatologist for a suspicious mole and a new rash. During this visit, the doctor evaluates the rash and also biopsies the suspicious mole. Under current rules, the doctor can bill both for the evaluation and the biopsy.

Under the new proposal, however, CMS would pay the higher-valued service at Medicare's "full" rate (and as you know, even those payments are *substantially* below the actual charged submitted by the doctor) but then cut payment for the other service by 50%. According to the WPI, doctors and lobbyists for the medical profession have been talking to Administration officials, relaying their issues with the proposal.

The WPI reports that some 1,400 ear, nose and throat (ENT) doctors responded to survey questions regarding what these cuts would mean for their practices, and 80% of the respondents said finalizing that proposal would delay care and make obtaining more care difficult, **while 67% responded that they would need to decrease the number of Medicare patients they are able to see.** Nearly 1 in 3 of the responding ENT docs said they would likely have to lay off staff due to any such cuts.

Many RPEA members have reported recently receiving letters (mostly emails) from Alaska dermatologists and physical therapists highly concerned about this proposed rule changes. Specialists of all types will no doubt find this rule substantially undermining their practices.

But the primary concern for public retirees on Medicare has to be the clear implication that such a rule change would further reduce the availability of physicians in Alaska willing to accept Medicare patients.

If you have concerns about this proposed rule, or wish to make comments, go to:

https://www.federalregister.gov/documents/2026/07/16/2026-14327/medicare-and-medicaid-programs-cy-2027-payment-policies-under-the-physician-fee-schedule-and-other?utm_campaign=wpi_healthbrief&utm_medium=email&utm_source=newsletter&utm_content=&utm_term=

All comments must be received by September 14, 2026.

We are in the process of requesting a meeting with the leadership of the DRB and the State Medicare Office to discuss how these changes would be handled by the AlaskaCare retiree medical plan. We will keep you apprised as we learn as much as we can.

Since Medicare is such a major part of our health insurance plan, we felt it necessary to explain our perspective on our advocacy work on your behalf. Thanks for listening!

Randall