



One Prince Street
Alexandria, VA 22314-3318
T 703.838.0033
F 703.548.1890

2023 Issue Brief Improving Medicare Advantage

Issue

Today, over half of all Medicare beneficiaries are enrolled in Medicare Advantage (MA) plans.¹ AMGA members care for many of these patients. As a financing model that emphasizes preventative care and value, MA aligns with the goals of both multispecialty medical groups and integrated systems of care, resulting in improved care at a reduced cost. MA plans incentivize team-based care, resulting in the provision of the right care at the right time. Congress should carefully consider any MA policy changes to ensure that they do not negatively impact care.

MA, with its supplemental benefits and cap on out-of-pocket costs, provides an attractive benefits package for beneficiaries and offers providers flexibilities not available under fee-for-service (FFS) Medicare. As a result, the program remains popular and enjoys bipartisan support in Congress.² In addition, our member groups see the value and stability in the MA program, as it provides a consistent set of rules and a financing mechanism that allows them to focus on delivering high-quality care, which fosters care coordination. AMGA and our members are invested in the stability of the MA program, and we support policies that will allow plans to continue to offer robust benefits to their enrollees.

Recently, the Centers for Medicare & Medicaid Services (CMS) released an Advanced Notice of Methodological Changes for Calendar Year (CY) 2024 for MA Capitation Rates and Part C and Part D Payment Policies, outlining changes to the program's risk-adjustment model. In response, AMGA recommended they not move forward with the proposed changes to the Hierarchical Condition Categories (CMS-HCC) model. AMGA believed that removing codes from the HCC model would not address discretionary coding variation, but rather would remove distinct clinical differences from the model. Additionally, the removal of codes from the HCC model would have a significant impact on providers' financial stability and enrollee access to services. . CMS on March 31 finalized the 2024 rate notice, determining that the changes to the HCC model will be phased in over a three-year period. The impact of these changes on patient care is yet to be determined.

AMGA believes in the importance of striving toward a more equitable healthcare system. It is essential that our member multispecialty medical groups and integrated systems of care have access to tools that accurately reflect the needs of the patient populations that they serve. MA plans serve a higher proportion of minority beneficiaries and those with social risk factors than Medicare FFS. According to recent data, 33.7% of MA beneficiaries identify as racial and ethnic

¹ <https://www.kff.org/policy-watch/half-of-all-eligible-medicare-beneficiaries-are-now-enrolled-in-private-medicare-advantage-plans/>

² <https://www.amga.org/AMGA/media/PDFs/Advocacy/Correspondence/CMS%20Correspondence/MA/cmts-ma-cy-21-22-policy-changes.pdf>

minorities.³ MA plans also have a higher concentration of low- and modest-income patients.⁴ MA plans allow providers to prescribe an array of innovative treatment interventions that are outside of the traditional Medicare FFS structure. These interventions are the key to addressing longstanding health and racial disparities. Congress must continue to promote policies that reduce significant contributors to health outcomes.

AMGA asks Congress to:

- **Consider the impact of any potential cuts to MA that will result in:**
 - **Decreased beneficiary access**
 - **Adverse effects on minority beneficiaries and those with higher social risk factors as that patient population enrolls in MA plans more than in traditional Medicare**
 - **Decreased care coordination and care management for the chronically ill**

³ BMA-State of MA Report 2022." *Better Medicare Alliance*, 2022, <https://bettermedicarealliance.org/wp-content/uploads/2022/11/BMA-State-of-MA-2022.pdf>

⁴ Teigland, Christie, et al. "Positive Outcomes for High Need, High-Cost Beneficiaries in Medicare Advantage Compared to Traditional Fee-For-Service Medicare." *Better Medicare Alliance*, Better Medicare Alliance, 2020, www.bettermedicarealliance.org/wp-content/uploads/2020/12/BMA-High-Need-Report.pdf.