



American Medical Group Association®

2015 ISSUE BRIEF PRESERVE MEDICARE ADVANTAGE (MA)

Issue

Established in the Balanced Budget Act of 1997, Medicare Advantage (MA) plans are approved by the Centers for Medicare and Medicaid Services (CMS). Many medical groups and health systems have their own MA plans, or treat patients who are MA beneficiaries. Approximately thirty percent of today's Medicare beneficiaries are enrolled in an MA plan and enrollment continues to grow each year due to the popularity of the program. As the number of beneficiaries enrolled in the program increases, so does medical group involvement. The program, however, is under threat of receiving additional cuts required by law or from regulatory changes issued by CMS.

Cuts to MA should be eliminated because they lead to decreased services and programs for patients as well as increased costs. MA programs are known for incentivizing high-quality care through the management of chronic conditions that result in healthier beneficiaries, in addition to reductions in avoidable hospitalizations. The payment structure utilized by MA incentivizes the team-based approach of multi-specialty medical groups and the provision of the right care, at the right time. Repeated cuts to MA will hamper the work that has been done to move the delivery system away from a fee-for-service model and toward one that emphasizes and incentivizes integration, value, and care coordination. Disruptions to MA plans, as a result of continued cuts, may also take the form of plans being forced out of the insurance marketplace altogether, which can limit beneficiary access.

AMGA Asks Congress To:

Mitigate future cuts to MA rates and consider the impact of any potential cuts, such as decreased beneficiary access, as well as decreased care coordination and management of chronically ill patient populations. Continue to use MA as another tool to incentivize the transformation to coordinated, integrated healthcare delivery that rewards value over volume. Congress should also encourage CMS to use an appropriate risk score methodology to adequately reflect the care that medical groups provide to medically complex and high cost patients.