



2017 Issue Brief

Improving Medicare Advantage

Issue

Today, nearly one-third of all Medicare beneficiaries choose Medicare Advantage (MA), or more than 17 million seniors. As the number of MA beneficiaries continues to increase rapidly, so has AMGA member participation. AMGA members deliver team-based, coordinated care, which is timely, high-quality, and patient centered. This type of care is incentivized under MA plans. With the appropriate policies in place, MA can be a model for AMGA members to provide innovative, high-value care.

AMGA recommends Congress consider the following policies to further improve the MA program and AMGA member's ability to offer Medicare beneficiaries superior care.

AMGA Asks Congress to:

- *Avoid any future cuts to MA rates.* Consider the impact of any potential cuts, such as decreased beneficiary access, as well as decreased care coordination and care management for the chronically ill. Continue to use MA as another tool to incentivize the transformation to coordinated, integrated healthcare delivery, that rewards value over volume.
- *Eliminate the Benchmark Cap for high quality MA plans:* Under current law, MA plans in certain counties that demonstrate quality under the Medicare Star Rating System are not eligible for bonus payments that can be used for offering additional supplemental benefits or reducing beneficiary cost sharing. Congress should remove the caps for 4+ Star rated MA plans.
- *Correct the Coding Intensity Adjustment:* MedPAC has recognized the flaws in the current coding adjustment approach and its work may serve as a starting point in developing a more equitable system. Congress should work with stakeholders to develop an alternative approach that mitigates year-to-year variation in documentation and decrease the differences in MA and fee-for-service coding intensity.
- *Promote Plan Design Innovation and Flexibility:* MA plans have the potential to address unmet social support needs, such as nutrition services and transportation, that fee-for-service Medicare does not cover. Congress should direct the Secretary to build on the Value-Based Insurance Design model to allow additional MA plans to design flexible plans and networks to improve care for those who face barriers to care or have chronic conditions.
- *Delay the Transition to the Encounter Data System:* The Government Accountability Office has identified serious flaws with the accuracy and validity of the Encounter Data System. Congress



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should direct to the Centers for Medicare and Medicaid Services (CMS) to slow the transition until these inaccuracies can be addressed.

- *Improve the Star Rating System:* The current Star Rating System should be improved by accounting for the effect of social risk factors on health outcomes. Congress also should direct CMS to revise its policies that link audit, compliance, and enforcement actions to the Star Ratings program.
- *Improve Transparency by Publicizing more Data and Analysis:* Congress should direct CMS to publicly release additional data and analysis on the potential effects of any proposals. Transparency is needed so that plans and Medicare beneficiaries can make informed decisions. This will allow stakeholders to make evidence-based decisions.