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2026 Issue Brief

Improving Medicare Advantage

Issue

Today, more than half of all Medicare beneficiaries are enrolled in Medicare Advantage (MA) plans.ⁱ AMGA members care for many of these patients. As a financing model emphasizing preventive care and value, MA aligns with the goals of multispecialty medical groups and integrated systems of care, resulting in improved care at a reduced cost. Congress should ensure MA reimbursement supports the ability of multispecialty groups and integrated systems of care to deliver high-quality care to beneficiaries. Congress should also examine current MA policies and direct the Centers for Medicare & Medicaid Services (CMS) to ensure that any MA changes do not result in care delays or administrative burden for providers.

With its supplemental benefits and cap on out-of-pocket costs, MA provides an attractive benefits package for beneficiaries and offers providers flexibilities not available under fee-for-service (FFS) Medicare. 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 allow them to focus on delivering high-quality care, fostering care coordination. AMGA and its members are invested in the stability of the MA program, and AMGA supports policies that will allow plans to continue to offer robust benefits to their enrollees. AMGA is concerned that recent changes are limiting the attractiveness of MA.

Risk adjustment in MA is designed to ensure that plans and providers are appropriately compensated based on the true health status of their patients. When CMS uses technical modifications to the risk adjustment model to systematically reduce captured acuity, it effectively utilizes policy to cut reimbursements rather than address legitimate coding concerns. In its CY 2027 MA Payment Policies Announcement, CMS finalized the exclusion of diagnoses from audio-only encounters and unlinked chart review records—changes that strip clinically valid documentation from the reimbursement model. As AMGA has long maintained, removing codes from the Hierarchical Condition Categories (CMS-HCC) model does not address discretionary coding variation; it erases real clinical distinctions, undermines providers' financial stability, and jeopardizes enrollee access to care.ⁱⁱ

With CMS now fully implementing the 2024 CMS-HCC model and completing its three-year phase-in, the impact will fall hardest on beneficiaries with chronic conditions, the very patients whose care demands the most resources. Accurate, complete documentation of Medicare beneficiaries' health status is the foundation of a functioning risk adjustment system, and Congress must ensure that CMS' ongoing model

refinements serve that goal, rather than function as a backdoor mechanism to reduce MA reimbursement levels. AMGA urges Congress to carefully examine these changes and take action to protect both providers and the patients who depend on them.

It is essential that AMGA member multispecialty medical groups and integrated systems of care have access to tools that accurately reflect the needs of the patient populations they serve. MA plans serve a higher proportion of beneficiaries who are historically underserved than FFS Medicare. According to recent data, 46% of all eligible Medicare beneficiaries in rural communities are enrolled in MA. MA plans also have a higher concentration of low- and modest-income patients.ⁱⁱⁱ Many MA plans give patients access to supplemental benefits such as vision, dental, and hearing care, addressing the whole of the patient, whereas the traditional FFS Medicare structure does not offer these benefits. Covering these needs is key to addressing longstanding health disparities.

AMGA asks Congress to:

- **Consider the impact policy and reimbursement changes in the Medicare Advantage program that will result in:**
 - **Decreased beneficiary access**
 - **Adverse effects on rural and underserved beneficiaries and those with higher social risk factors, as these patient populations enroll in MA plans more than in traditional Medicare**
 - **Decreased care coordination and care management for the chronically ill**



ⁱ Medicare Payment Advisory Commission. (2025, July). *Medicare Advantage* (Section 9). In *A data book: Health care spending and the Medicare program* (pp. 129–). MedPAC. https://www.medpac.gov/wp-content/uploads/2025/07/July2025_MedPAC_DataBook_Sec9_SEC.pdf

ⁱⁱ AMGA. (2026, February 25). *Advance notice of methodological changes for calendar year (CY) 2027 for Medicare Advantage (MA) capitation rates and Part C and Part D payment policies [CMS-4212-P]: AMGA comments* [Comment letter]. American Medical Group Association. <https://www.amga.org/getmedia/5985f5fc-6312-4906-abe5-064ad1268d5c/cy27-ma-advance-rate-notice-amga-comments-2-24-26.pdf>

ⁱⁱⁱ Better Medicare Alliance, *State of Medicare Advantage 2025 Report*, BMA, 2025, bettermedicarealliance.org/publication/state-of-medicare-advantage-2025/