

BETTER MEDICARE

ALLIANCE

STATEMENT FOR THE RECORD

Submitted to the
Committee on Ways and Means
Subcommittee on Health
U.S. House of Representatives

The Current Status of and Quality in the Medicare Advantage Program

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[Better Medicare Alliance \(BMA\)](#) is a broad alliance of [100+ organizations](#), including doctors and other professional health care providers, hospitals, health systems, aging service agencies, business groups, retiree organizations, health plans, as well as beneficiaries. Collectively, we support and advocate for Medicare Advantage—also known as Medicare Part C—and the innovative, quality care it delivers. BMA works to ensure the Medicare Advantage program is stable, accessible, high-quality, cost-effective, and financially viable through the ongoing support of policymakers. We achieve these goals through information, research, education, commentary on policy, and advocacy.

We appreciate the Subcommittee’s interest in Medicare Advantage, and we welcome the opportunity to comment on the current status of and quality in the Medicare Advantage program. Policymakers, beneficiaries, the health care stakeholder community, and taxpayers together have a vested interest in ensuring that Medicare Advantage continues to offer innovative, integrated and coordinated care delivery, improved health outcomes, cost effective care, and provider payment models that reward value over volume.

BMA thanks Congress for all their recent actions that serve to preserve the affordability of Medicare Advantage and enhance health plans’ ability to deliver early interventions, care management, and patient engagement to improve outcomes for all beneficiaries, especially for those individuals living with chronic conditions. We further appreciate the Subcommittee’s support for Medicare Advantage, including those who joined the more than 360 Representatives and Senators from both sides of the aisle who signed letters earlier this year to the Centers for Medicare & Medicaid Services (CMS) in support of Medicare Advantage. Such a strong collection of lawmakers’ voices—from both Republicans and Democrats—is a testament to how Medicare Advantage is leading the way in meeting the unique health care needs of America’s seniors and individuals with disabilities.

The Value of Medicare Advantage

Since 2010, enrollment in Medicare Advantage has grown by nearly 90%, so that today more than 20 million Medicare beneficiaries—over one in three—are actively choosing Medicare Advantage plans to receive their Medicare benefits.¹

Approximately 73% of beneficiaries are currently in high quality plans rated 4 or 5 stars, and beneficiaries are overwhelmingly satisfied with their Medicare Advantage plans' delivery of care and benefits.² In fact, 90% of beneficiaries say they are satisfied with their plans, 91% say they are satisfied with their preventive care coverage, and 90% say they are satisfied with Medicare Advantage benefits and choice of providers.³ Seniors report that they appreciate the simplicity, affordability and enhanced benefits of Medicare Advantage.

It is easy to understand why the private health plan option within Medicare continues to grow in popularity. Medicare Advantage health plans can provide additional benefits and services that are not included in Traditional Fee-For-Service (FFS) Medicare, such as:

- Case management
- Disease management
- Coordinated care
- Nurse help hotlines
- Fitness, wellness and prevention programs
- Enriched Part D benefits and prescription drug management tools; and
- Vision, hearing, and dental benefits

Many Medicare Advantage health plans offer all of these additional benefits with either zero or low premiums, making the program even more attractive to potential

¹ Centers for Medicare & Medicaid Services, Medicare Advantage Contract and Enrollment Monthly Summary Report, May, 2018. [Web](#).

² Centers for Medicare & Medicaid Services, Fact Sheet - 2018 Part C and D Star Ratings. [Web](#).

³ Morning Consult National Tracking Poll, March 11-16, 2016.

enrollees. In fact, in 2018, approximately 94% of Medicare Advantage beneficiaries nationwide have access to a zero-premium plan.⁴

In addition to Medicare Advantage’s enhanced benefits and services, unlike FFS Medicare, Medicare Advantage caps out-of-pocket costs—helping protect seniors from potential catastrophic health care expenses that could threaten their financial security.

Strengthening Medicare Advantage Moving Forward

Going forward, there are three areas where we hope to work with Congress and the Administration to promote the value and promise of Medicare Advantage and build on the program’s successes to date.

First, Improving Beneficiary Understanding of Medicare Advantage and Their Medicare Choices

One of BMA’s top priorities this year is to advocate for improvements in beneficiary education and outreach efforts in order to enhance the understanding of Medicare Advantage and the health care coverage choices in Medicare. We are building on our efforts in 2017, when we offered comments and specific recommendations on improvements to be made in the process, materials, and decision-making tools currently employed by federal agencies. In December 2017, BMA convened a group of approximately 50 thought leaders, including beneficiary advocates, researchers, health plans, practitioners, community partners and policymakers, to discuss how to improve consumers’ understanding of Medicare coverage options, particularly in Medicare Advantage. Following this convening, in March, 2018, BMA released a [Convening Report on “Improving Consumer Understanding of Medicare Advantage.”](#) In this report we articulated both problems and recommendations for action to engage and assist Medicare beneficiaries in making optimal coverage decisions.

⁴ Centers for Medicare & Medicaid Services, Landscape Files, 2018.

As the Medicare population continues to expand and age, with over 10,000 baby-boomers aging into the program each day, and the population of those aged 85 and older nearly tripling between now and 2050, BMA and our allies firmly believe now is the time to modernize the Medicare enrollment process and the tools consumers use so they can make well-informed decisions about their Medicare coverage.⁵

More than seven in ten seniors have reported that they are solely responsible for choosing their Medicare coverage options, and 27% report not knowing what resources to use to research Medicare coverage options. Polling conducted by Morning Consult indicated that 65% of older adults enrolled in FFS Medicare say they are unfamiliar with the option of Medicare Advantage.⁶

Enabling seniors to make educated choices about their health care is critical to ensuring they receive health coverage that best meets their health and financial needs. We appreciate the efforts made by CMS over the past year to improve beneficiary education materials, including the content, layout and visuals in the Medicare and You Handbook. And, we support continuing efforts to enhance the information and decision-making tools available to beneficiaries.

Immediate steps that should be taken to better enable seniors to make informed decisions and become active choosers in their health coverage include:

- **CMS and the Social Security Administration (SSA)** should update beneficiary educational materials to improve readability, offer visual illustrations of concepts to accommodate various health literacy levels, target outreach to provide more personalized support throughout the enrollment process, and incorporate innovative approaches to education and consumer assistance.

⁵ U.S. Census, THE NEXT FOUR DECADES: The Older Population in the United States: 2010 to 2050, May 2010. [Web](#).

⁶ Morning Consult National Tracking Poll, October, 2017.

- **CMS and SSA should work together to educate and conduct outreach** to Medicare-eligible beneficiaries during initial Medicare enrollment, including better links between resources and aligning description of the process and language about Medicare choices, particularly for new enrollees.
- **Modernize Medicare Plan Finder**, so seniors can easily compare Medicare Advantage options—including all three types of Special Needs Plans (SNPs) that tailor specialized care to patients with chronic conditions and complex medical needs—to FFS Medicare options based on health needs, quality, cost and provider networks.
- **Ensure State Health Insurance Assistance Programs (SHIPs) have the resources** and training they need to educate beneficiaries about both FFS Medicare and Medicare Advantage.

Second, Establish an Advisory Committee on Medicare Advantage

Congress should establish a formal federal advisory committee to advise CMS on a range of technical payment and policy issues in Medicare Advantage. This would be an effective means to effectively bring together key stakeholders and policy experts to address complex and critical issues within the Medicare Advantage and Part D programs.

BMA is interested in exploring the establishment of a formal federal advisory group of stakeholders that could advise CMS on policy and technical changes to the Medicare Advantage and Part D programs, similar to those that exist across FFS Medicare. In addition to advising the agency on technical payment and policy issues typically addressed in the annual Medicare Advantage and Part D Rate Notice and Call Letter, such an advisory committee could also provide direct insight to CMS into the policy barriers that are inhibiting plans' ability to address potential opioid misuse and offer specific recommendations for how to address barriers and modify current rules through regulatory reform and/or sub-regulatory guidance. BMA believes that establishing such an advisory committee is important

for harnessing the tools and innovations that Medicare Advantage health plans are pioneering to lower health care costs and improve outcomes for patient care.

Third, Fairness in Quality Payments in Medicare Advantage

BMA continues to advocate for changes to ensure that all health plans eligible for quality bonuses are able to receive them. Created by Congress, these quality bonus payments both incentivize high quality of care and provide additional benefits for beneficiaries. Capping Medicare Advantage payment at pre-Affordable Care Act (ACA) levels has eliminated quality incentive payments in 43 percent of counties across the country, affecting millions of beneficiaries.⁷ These beneficiaries, in so-called “benchmark capped counties,” are missing out on increased services and/or reduced premiums.

While we believe CMS can, and should, address the benchmark cap problem administratively, we thank Representative Mike Kelly for reintroducing bipartisan legislation—H.R. 908, The Medicare Advantage Quality Payment Relief Act—to address the issue legislatively. BMA appreciates the bipartisan co-sponsors who are working to ensure that all Medicare Advantage beneficiaries will benefit from allowing Medicare Advantage plans to put quality bonus payments to work for beneficiaries.

Recent CMS Regulatory Polices

BMA submitted comments to CMS regarding proposed payment updates and policy changes for Medicare Advantage in the agency’s Final Rule affecting Part C and D Plans, and in its Final Calendar Year 2019 Advance Notice and Call Letter. In our comments, we applauded CMS’ proposals to provide a positive and stable environment for Medicare Advantage plans, providers, and community partners that will enable plans to continue to lead the way in offering innovative, high-quality, cost-effective care that improves patient’s experience and outcomes.

⁷ Avalere Inovalon, Understanding the Impact of CMS’ 2019 Advance Notice, 2018.

BMA expressed support for CMS' change in regulations related to the uniformity and meaningful difference requirements, to allow Medicare Advantage health plans to offer targeted supplemental benefits to better serve beneficiaries with specific needs and effectively customize care to targeted populations, based on clinical conditions to improve patient outcomes.

These regulatory actions are consistent with recent passage of the CHRONIC Care Act provisions of the Bipartisan Budget Act of 2018, which allows greater flexibility needed for innovative care in Medicare Advantage. BMA will continue to offer input as CMS develops further guidance to implement this additional flexibility.

We were also pleased to see the 2019 Final Rule make adjustment in the payment methodology for Medicare Advantage Employer Group Waiver Plans (EGWPs) in order to account for the different proportions of HMO vs. PPO plan types. This change will provide stability in the employer-sponsored retiree landscape necessary for the future growth of this valued program.

BMA appreciates the positive regulatory environment for Medicare Advantage reflected in the 2019 Rate Notice, and we look forward to working with CMS to pursue further and advance regulatory policies aimed at providing marketplace stability, incentivizing quality, allowing and encouraging plan flexibility and innovation, and promoting effective communication with beneficiaries.

In closing, we appreciate the bipartisan support for Medicare Advantage and the Subcommittee's interest in strengthening this option for Medicare beneficiaries. Medicare Advantage is advancing innovative, integrated patient-centered care, that reduces beneficiary costs and addresses the needs of millions of beneficiaries, including those who have complex health and medical needs. With a focus on primary care and disease management, Medicare Advantage is leading the way in

meeting the unique health care needs of America's seniors and individuals with disabilities who depend on Medicare.

We stand ready to work with you as a partner and a resource in continuing to recognize and promote the value and promise of Medicare Advantage.