



One Prince Street
Alexandria, VA 22314-3318
703.838.0033
703.548.1890

2021 Issue Brief

Improving Medicare Advantage

Issue

Today, 42% of all Medicare beneficiaries have enrolled in Medicare Advantage (MA) plans, and AMGA members care for many of these patients. As a financing model that emphasizes preventative care and value, MA plans align with both the multispecialty medical group and integrated delivery system models, resulting in improved care at a reduced cost. MA structure supports the team-based, multispecialty medical group and integrated delivery system approach, 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 benefit package for beneficiaries and offers providers flexibilities not available under fee-for-service (FFS) Medicare. As a result, the program remains incredibly popular and enjoys bipartisan support in Congress.ⁱ 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 encourages 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.

Our nation is currently experiencing a chronic disease epidemic, with over 70% of Medicare patients living with one or more chronic diseases.ⁱⁱ This epidemic is expected to worsen due to the COVID-19 pandemic as patients and providers navigate the long-term impact of the coronavirus. As multispecialty medical groups and integrated delivery systems grapple with the chronic disease epidemic, providers rely on MA plans to provide the stable financing and structure to help them effectively manage their patient population. Recent studies have found that MA participants had a lower rate of avoidable hospitalizations and higher rates of screening for conditions such as cancer and depression, compared to traditional Medical FFS.ⁱⁱⁱ Congress must continue to drive policies that focus on greater population health management while reducing costs within the overall healthcare system.

AMGA believes in the importance of striving toward a more equitable healthcare system. It is essential that our member multispecialty groups and integrated delivery systems 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, 31.4% of MA beneficiaries identify as racial and ethnic minorities.^{iv} MA plans also have a higher concentration of low and modest income patients.^v 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 closing the gap for 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 such as**
 - **Decreased beneficiary access**
 - **Larger impact upon minority beneficiaries and those with higher social risk factors as that patient population enrolls more in MA than in traditional Medicare**
 - **Decreased care coordination and care management for the chronically ill**
- **Promote flexibility within the MA program to allow providers to improve care through supplemental benefits.**

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

ⁱⁱ Carlton, Stephanie, et al. "Supplemental Benefit Changes in Medicare ADVANTAGE Increase Options for Those with Chronic Conditions." *McKinsey & Company*, McKinsey & Company, 1 July 2021, www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/supplemental-benefit-changes-in-medicare-advantage-increase-options-for-those-with-chronic-conditions.

ⁱⁱⁱ 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.

^{iv} BMA-State of MA Report 2021." *Better Medicare Alliance*, 2021, bettermedicarealliance.org/wp-content/uploads/2021/05/BMA-State-of-MA-Report-2021.pdf.

^v 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.