Weekly Checkup

Medicare Advantage – What's in Store?

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Medicare Advantage (MA) is exceedingly and increasingly popular. **What started as the experimental Medicare+Choice in 1999 today provides health care coverage for 48 percent of Medicare beneficiaries.** So, what's in store for this program in 2023, both in Congress and at the Centers for Medicare and Medicaid Services (CMS)? **In short, the popular program will likely continue to grow, but also face growing scrutiny**.

First, some good news for the program. **MA is expected by the end of 2023 to cover the majority of Medicare beneficiaries.** As the Weekly Checkup has covered before, this popularity is hardly surprising: MA allows seniors to choose from a wide variety of privately managed plans (39 plans per beneficiary on average in 2022, according to a Kaiser Family Foundation analysis) that provide a large array of benefits that best fit the senior's preference and can even include dental and vision benefits – which traditional fee-for-service (FFS) Medicare does not. Moreover, MA plans have better patient outcomes than FFS, and Black and Hispanic MA beneficiaries spend significantly less than their FFS counterparts.

Naturally, the increased popularity has come with increased scrutiny. CMS audits of 90 MA plans a decade ago were recently revealed to have found around $12 million in overpayments in 2012 and 2013. More recent investigations by the Department of Justice (DOJ) have alleged that some MA plans have been encouraging doctors to "upcode" patients – essentially saying patients were sicker than in reality in order to receive higher payments. MA plans and their advocates dispute this, arguing that the audit process is flawed and payment errors have been due to missing documentation rather than intentional misdeeds. Congress is certainly paying attention – Senator Chuck Grassley (R-IA) has already called for more, and more aggressive, oversight. **This year, expect the DOJ investigations to continue, more audits by CMS, more oversight by Congress, and a big fight between**

CMS and MA plans about just how much CMS can use the audit findings to justify clawing back more cash. Additionally, CMS expects to continue a crackdown on MA plans' marketing practices, which have increasingly spurred complaints.

On the policy side, last fall the House of Representatives unanimously passed legislation to streamline prior authorization (PA) requirements. The legislation would have mandated that MA plans implement all-electronic PA systems (readers may be shocked to learn just how much of health care is *still* done via fax), require the Department of Health and Human Services to create a faster PA process, and require MA plans to report on how they use PA, as well as the number and types of claims rejected or approved. That legislation did not become law, but similar legislation is likely to be introduced in the 118th Congress. Meanwhile, CMS has also been working to implement its own PA reforms in MA similar to this legislation.

Indeed, as MA becomes the preferred option for seniors in 2023, one should expect more scrutiny and more attempts to tinker with the program.**Yet MA is popular for a reason: It provides beneficiaries with more choice, better care, and greater affordability. Any attempts to reform MA should ensure that the program continues to retain these beneficial attributes.**