

Don't Cut Their Care:

Medicare Advantage Is Facing Billions in Cuts That Would Hurt 30 Million+ Americans Next Year

The Administration stated that the 2024 Medicare Advantage (MA) and Part D Advance Notice would provide a small (1.03%) increase in expected average payments to MA plans for 2024. In fact, it would result in billions of dollars of cuts to the MA program, which would lead to higher premiums and fewer benefits for 30 million+ seniors and people with disabilities.

Here's how.

- Changes to the MA risk model that accounts for the health status and demographic characteristics of enrollees would **reduce payments by 3.12% in 2024.**
- Quality bonus payments under the Medicare Star Ratings program would be **1.24% lower in 2024.**
- County benchmarks, used to set maximum payment rates, would increase payments on average by 2.09% in 2024 - **less than half the growth rate in 2023 (4.88%) and well below the projected growth in per enrollee Medicare costs (5%).**
- **Altogether, the three changes would cut average MA plan payments in 2024 by 2.27%.**

CMS asserts that risk scores and risk adjustment payments would offset this >2% reduction and result in net higher payments. **But their projections are unsubstantiated.**

- CMS provides no information on how they estimate this "coding trend." Consequently, **there is no way to validate the accuracy of the CMS coding trend estimate.**
- While CMS' estimates are averages, **preliminary analyses by MA plans – small, mid-sized, and large plans, as well as providers – indicate the negative impact of CMS' proposed change to the risk adjustment model would be significantly larger than the agency's estimates of the overall impact.**
- For example, analyses by several mid-sized MA plans from different geographies are finding the impact could be tens of millions of dollars, **which would result in higher premiums and fewer benefits for enrollees in 2024.**

With Medicare Trustees' estimates of costs per enrollee projected to grow 5%, proposed MA payments for 2024 are heading in the wrong direction.

**Stand up for American seniors and people with disabilities.
Tell the Administration: Don't Cut Their Care.**