

New Insights Into Medicare Advantage

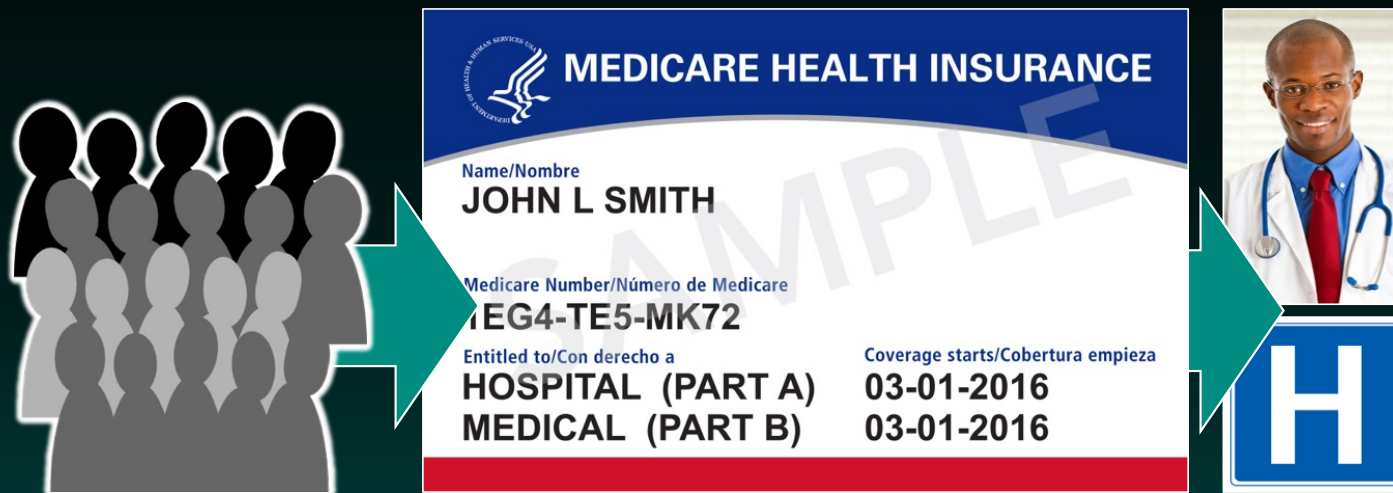
And what WICA can do about it

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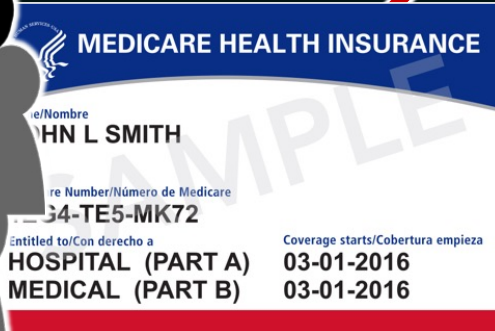
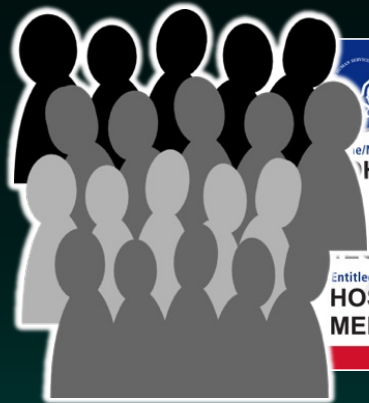


Traditional Medicare Is Simple and Efficient



90% of people in Traditional Medicare also purchase a “Medigap” plan (“Medicare Plus” in WICA) to cover copays and deductibles, and a “Part D” plan for pharmaceutical benefits

Medicare Advantage Is Complicated and Inefficient



MA is not Medicare

Smaller “networks”

HMO-style tools
(Prior Authorizations, etc.)

Shun the sick,
seek the well

High overhead and
high profits

Drains public funds
from other uses

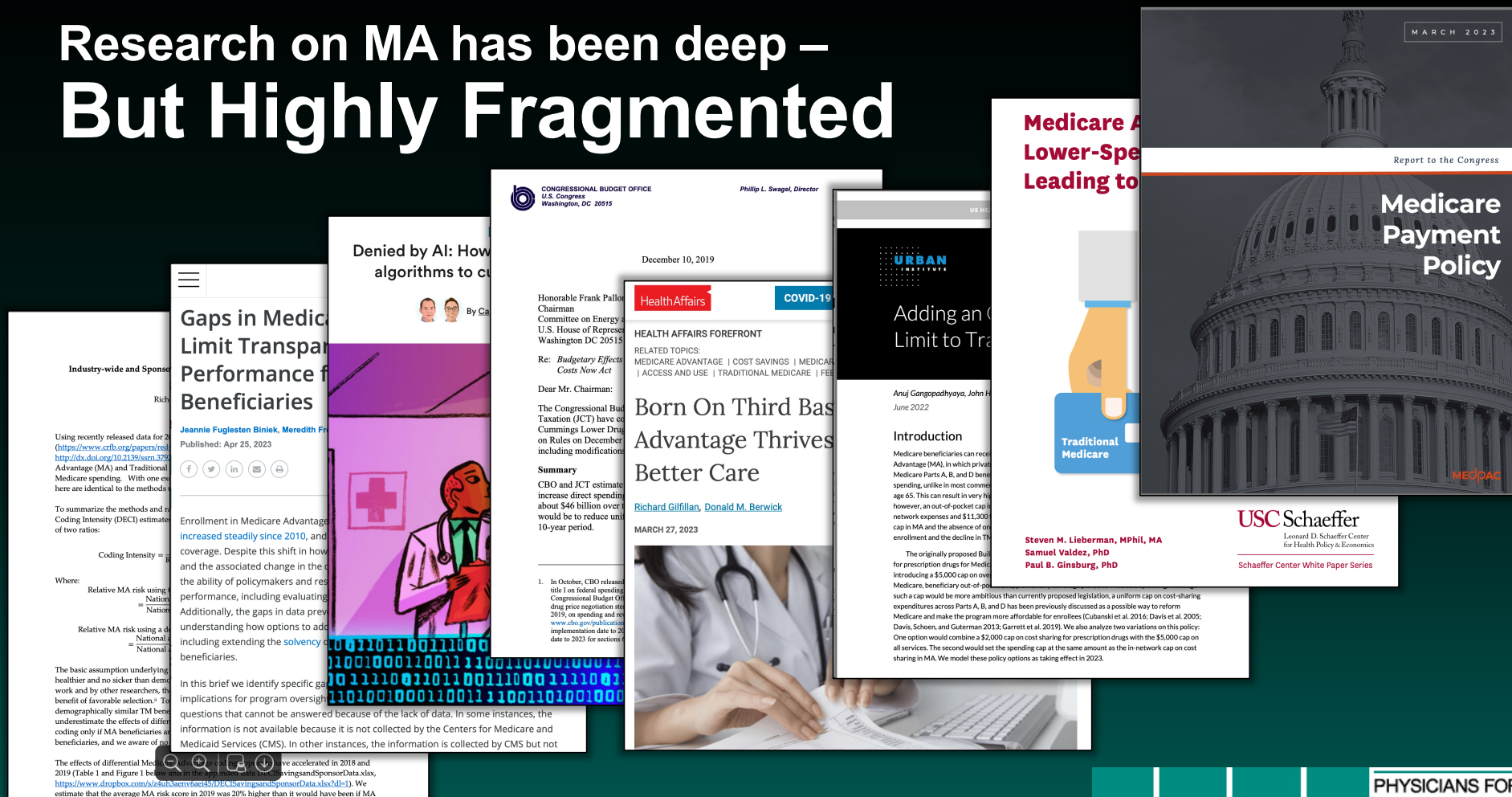


PNHP

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Research on MA has been deep – But Highly Fragmented



Most research drew this general conclusion:

“Medicare Advantage has **never generated savings** relative to Traditional Medicare.

In fact, ***the opposite is true.***”

– Kaiser Family Foundation
2021 report

https://www.kff.org/medicare/issue-brief/higher-and-faster-growing-spending-per-medicare-advantage-enrollee-adds-to-medicare-solvency-and-affordability-challenges/?utm_campaign=KFF-2021-Medicare&utm_medium=email&_hsmi=2&_hsenc=p2ANqtz--NbWFYepJ3_bF07nVVqdBF1nXFKwXuVn9L66uGcqN5hPdZ7Tiot2L7eMwnyN0vSI6Bnbb1hZiyrztywKa3saASppissA&utm_content=2&utm_source=hs_email Accessed Oct. 6 2023



PHYSICIANS FOR A NATIONAL HEALTH PROGRAM

OUR PAYMENTS THEIR PROFITS

Quantifying Overpayments in the Medicare Advantage Program

OVERPAID BY BILLIONS

By our estimate, and based on 2022 spending, MA overcharges taxpayers by a minimum of 22% or \$88 billion per year, and potentially by up to 35% or \$140 billion.

PNHP's 2023 report on overpayments to Medicare Advantage
https://pnhp.org/system/assets/uploads/2023/09/MAOverpaymentReport_Final.pdf

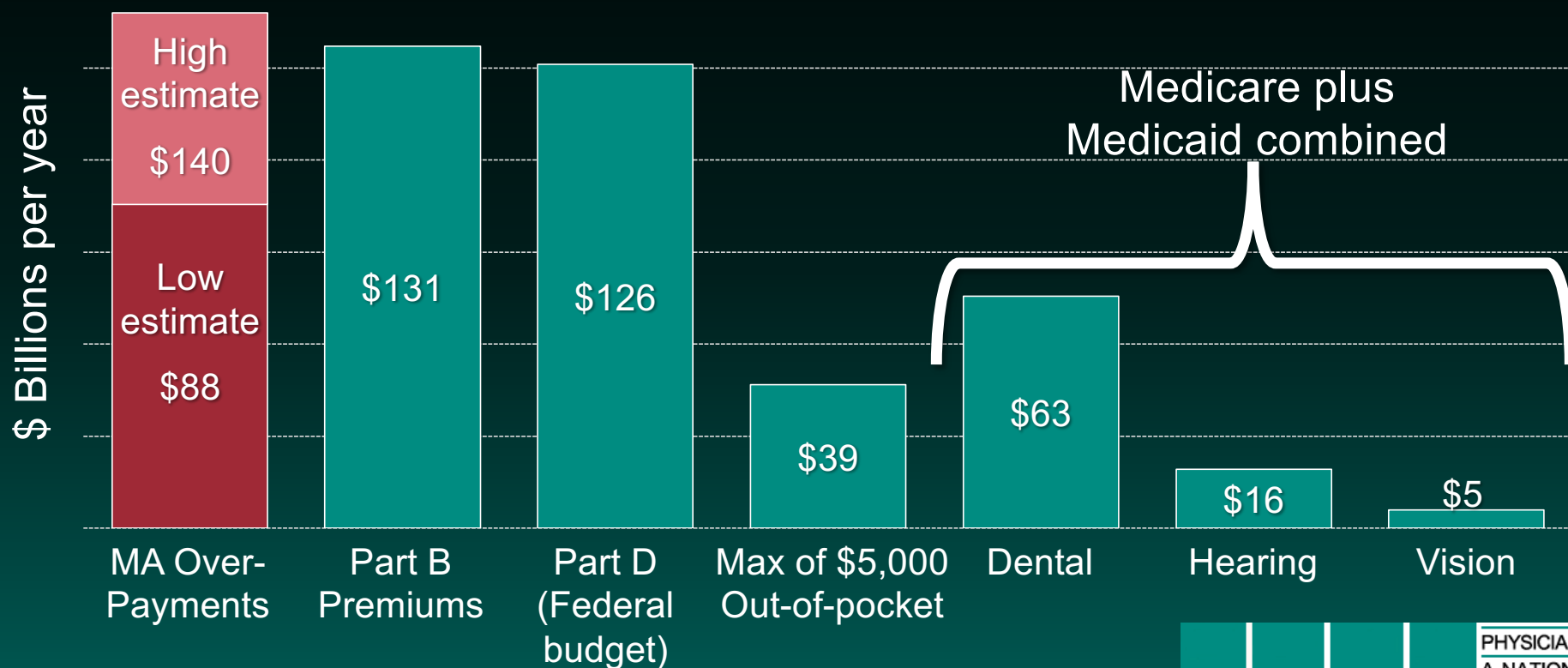


Source	Percentage of Overpayment	Amount in \$ per year (based on 2022 MA spending)
Upcoding	Adding inactive diagnoses to increase capitation rates	
Favorable Selection	Pre-paid for “average” patients but attracting the healthiest	
County Benchmarks and Quality Bonuses	Extra payments without clear value for patients	
Subtotal		
Induced Utilization	Overpaying MA plans as if they removed financial barriers to care, despite that not being true.	
Total (Including Induced Utilization)		

Source	Percentage of Overpayment	Amount in \$ per year (based on 2022 MA spending)
Upcoding	5%	\$20 Billion
Favorable Selection	11-14%	\$44-46 Billion
County Benchmarks and Quality Bonuses	6-7%	\$24-28 Billion
Subtotal	22-26%	\$88-104 Billion
Induced Utilization	9%	\$36 Billion
Total (Including Induced Utilization)	31-35%	\$124-140 Billion



The Context of MA Overpayments



PNHP's 2023 report on overpayments to Medicare Advantage
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What can the WI Coalition of Annuitants Do About Medicare “Advantage”?

Prevent another *bad* AHIP letter^{1,2}

- Senate: 2023 signers: Johnson (not Baldwin)
- House: 2022 signers Fitzgerald, Gallagher, Grothman, Steil
- House: 2022 non-signers Pocan, Tiffany, Van Orden, Moore

Support the *good* letter³

- 2023 signers: Mark Pocan
- 2023 non-signers: Moore, and all Republicans

Watch for a *great* bill in Spring

- Add the missing benefits into traditional Medicare
- Reduce cost-sharing in traditional Medicare
- Create a Medigap public option?


1. https://ahiporg-production.s3.amazonaws.com/documents/23.01.30_Senate-Bipartisan-Medicare-Advantage-Letter-1.pdf

2. https://bettermedicarealliance.org/wp-content/uploads/2022/01/final_2022_house_ma_letter_.pdf


3. <https://jayapal.house.gov/wp-content/uploads/2023/02/230216-MA-Letter-Final-with-Signatures3.pdf?eType=EmailBlastContent&eld=6a691f22-500c-4361-96c6-27be12b7b296>





Many more resources and *action steps* at HealMedicare.org



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