

Protect Our Care Wisconsin: Insurers care more about big profits than serving dual-eligible seniors

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People who are on Medicare Advantage [are disproportionately](#) Black and Latino. The insurance industry is using this data point to suggest seniors of color will be disproportionately harmed by HHS's proposed 2024 rate *increase* of \$4 billion for Medicare Advantage plans. In reality, insurers are not doing enough to address the quality of Medicare Advantage plan offerings to these communities and are trying to hold onto their record profits.

Research Shows Plans Offered to Dual-Eligible Seniors are Among the Most Profitable. Medicare Advantage Plans are the [most profitable](#) part of the health insurance business by a factor of nearly two. Among Medicare Advantage plans, those that serve dual-eligible seniors are the most profitable. In 2022, [MedPAC](#) found that in 2020, special needs plans (SNPs) serving dual-eligible seniors (D-SNPs) had margins of 10.7 percent, and SNPs for enrollees with certain chronic conditions (C-SNPs) had margins of 11.2 percent. Even nonprofit D-SNPs had an average profit margin of 6.4 percent. Medicare Advantage plans have since received payment increases of 4.08% in 2022 and 8.5% in 2023.

Big Insurers are Threatening to Cut Benefits if They Don't Receive a Larger Payment Increase. An industry-funded study claims Medicare Advantage plans could reduce annual benefits by \$540 per senior if they don't receive a larger payment increase. However, these plans make an average of \$1,608 in annual gross margin per senior, so choosing to not invest more in seniors reflects their greed, not a lack of funding from CMS. Former MedPAC staff dismiss the claim that insurers will cut benefits as "[nonsense](#)" based on how plans have historically responded to payment updates.

Medicare Advantage Doesn't Serve Black And Latino Populations Well.

[Research shows](#) that compared to white seniors, insurers offer plans with lower quality ratings to racial and ethnic minority groups, who enroll in these low-rated plans more frequently than white seniors. Even the top-rated plans [perform worse](#) for minority seniors. A [December 2022 study](#) found Black seniors enrolled in Medicare Advantage have higher rates of avoidable hospital admissions than white seniors. Furthermore, while Medicare Advantage plans provide additional benefits, a [January 2023 GAO report](#) highlights that plans refuse to report the extent to which seniors actually use the supplemental benefits provided by Medicare Advantage plans.

The Biden Administration is Committed to Advancing Health Equity, Including Through Medicare Advantage. The Biden administration is improving Medicare Advantage for seniors of color by cracking down on deceptive marketing practices, establishing a health equity index in the Star Ratings program that incentivizes the highest quality care for underserved seniors, and strengthening access to behavioral health services by reducing wait times and improving care coordination and network adequacy. These improvements to Medicare Advantage for underserved populations are just one example of the administration's commitment to advancing health equity stemming from an [Executive Order](#) President Biden issued on his first day in office and Health and Human Services' subsequent [Equity Action Plan](#) to institutionalize and sustain a focus on equity over time.