U.S. Sen. Baldwin: Joins effort to review and strengthen medicare advantage, protect taxpayers dollars and improve care for seniors

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WASHINGTON, D.C. – U.S. Senator Tammy Baldwin (D-WI) joined Senator Sherrod Brown (D-OH) and a group of Democratic colleagues in sending a letter to the U.S. Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS), supporting CMS's efforts to thoroughly examine current Medicare Advantage (MA) practices to improve care delivery for beneficiaries. Specifically, the letter urges the Administration to engage with stakeholders to strengthen and finalize proposals related to MA to reduce excessive payments to plans and bolster the Medicare program for all seniors and other beneficiaries.

The senators raised their concerns about reported overpayments that threaten the solvency of the Medicare program and jeopardize access for Medicare beneficiaries.

"As you are aware, multiple federal audits and reports published over the last few years have identified a troubling trend of overpayments to MA plans, which are administered by private insurance companies. Federal audits made public in October 2022 revealed widespread overcharges and other errors in payments to these plans, totaling hundreds of millions of dollars in overcharges to the government in a manner that some have described as 'cross[ing] the line into fraud,'" **wrote the senators.**

"We recognize that not all MA plans are engaged in unscrupulous or inappropriate care management, and that the number of Americans enrolled in MA plans continues to grow each year – approaching 50 percent of eligible beneficiaries.

However, this shift in enrollment should not jeopardize the future of the Medicare program," **the senators continued.**

For a copy of the letter, see below or here.

An online version of this release is available here.

Dear Secretary Becerra, Administrator Brooks-LaSure, and Deputy Administrator Seshamani:

We write in response to the Centers for Medicare & Medicaid Services' (CMS) recent efforts to evaluate and improve the effectiveness and efficiencies in the Medicare program and strengthen the program to ensure it continues to meet the needs of the more than 65 million Americans who rely on Medicare for affordable, high-quality, person-centered care. We support CMS's efforts to advance policies that will reduce waste and improve stewardship of Medicare funds and strengthen the benefit and quality of care for all enrollees, including the 34 million Americans who rely on traditional Medicare and the 30 million Americans who choose to enroll in a Medicare Advantage (MA) plan.

We appreciate CMS's dedication to ensuring "all parts of Medicare are working towards a future where people with Medicare receive more equitable, high quality, and person-centered care that is affordable and sustainable." However, we are concerned by certain practices that threaten the integrity and sustainability of Medicare and its capacity to provide high quality care to all beneficiaries, particularly those with complex care needs.

As you are aware, multiple federal audits and reports published over the last few years have identified a troubling trend of overpayments to MA plans, which are administered by private insurance companies. Federal audits made public in October 2022 revealed widespread overcharges and other errors in payments to these plans, totaling hundreds of millions of dollars in overcharges to the government in a manner that some have described as "cross[ing] the line into fraud." A U.S. Department of Health and Human Services (HHS) Office of the Inspector General (OIG) report found that some insurance companies that offer MA plans are receiving billions in payments for health conditions captured on health risk assessments, but for which the plan does not provide any other care. And a recent report published by the Medicare Payment Advisory Commission (MedPAC) estimates that, absent any changes to current policy, taxpayers and Medicare

beneficiaries will be on the hook for $27 billion in excessive and unwarranted payments to MA plans in 2023 alone, without any benefit to enrollees.

Beyond these reported overpayments that threaten the solvency of the Medicare program and jeopardize access for Medicare beneficiaries, we are also concerned by recent reports highlighting other troubling practices across some MA plans, impacting care delivery, timely payments to providers, and in some cases, putting seniors at risk. An April 2022 report from the HHS OIG estimated that over 85,000 medical prior authorizations that met Medicare coverage rules were improperly denied by a sample of MA plans in 2019.

It is for these reasons that we write in support of CMS's efforts to thoroughly examine current MA practices and, where appropriate, strengthen and finalize proposals related to MA to reduce excessive and unwarranted payments to MA plans and improve care delivery for beneficiaries. In particular, we appreciate recent proposals to strengthen stewardship of program dollars by assuring fair and appropriate payments to MA plans, including payments to better support high-quality care for sicker beneficiaries, to ensure the sustainability of the program for the future. We urge CMS to engage with stakeholders and finalize policy changes to ensure the Medicare program provides the best possible care for all beneficiaries, including seniors, for generations to come.

We recognize that not all MA plans are engaged in unscrupulous or inappropriate care management, and that the number of Americans enrolled in MA plans continues to grow each year – approaching 50 percent of eligible beneficiaries. However, this shift in enrollment should not jeopardize the future of the Medicare program. We also appreciate that there are some nonprofit plans and smaller, regional MA plans that offer quality benefits to beneficiaries; in 2019, regional PPOs accounted for 6 percent of all MA enrollees. By focusing on mechanisms to protect the integrity of MA and improve the quality and timeliness of care for beneficiaries, CMS can ensure taxpayer dollars are protected and go toward strengthening benefits, increasing access to care, and lowering costs for beneficiaries as opposed to padding the profits of private companies.

As CMS works to strengthen and finalize proposals related to MA, we urge you to engage with stakeholders to ensure that any final policy changes ensure the program best serves the needs of enrollees and does not shift costs to other parts of Medicare or to taxpayers. We share your commitment to protecting and strengthening Medicare for all seniors and individuals with disabilities, and look

forward to continuing to work with CMS to strengthen the Medicare benefit for current and future enrollees.