

Protect and Strengthen Medicare

Simplify Medicare Advantage Enrollment



The Problem

The proliferation of Medicare Advantage (MA) plans and the variation across plans makes enrollment decisions based on a beneficiary's individual circumstances overly complex, resulting in sub-optimal choices or unwillingness to shop for coverage.

Background

An analysis from the Kaiser Family Foundation found that the average person with Medicare had at least **43 different MA plans to choose from for 2023**. The KFF analysis shows that 97% of plans offer some vision, fitness, telehealth, hearing, or dental benefits, but "the scope of coverage for these services varies."

While more plan options and choices can mean a greater likelihood of a plan existing that suits a person's particular needs, it also makes finding that plan more overwhelming. Medicare Rights' experience, **borne out by data**, shows that people are likely to forgo comparison shopping and may choose or remain in a less beneficial, more expensive plan.

Limited numbers of people with Medicare review their current coverage, compare various coverage options, or switch plans each year. **Only about half** of people with MA review their current coverage, including looking for changes in costs, coverage, or drug formularies. Even fewer people—around 30%—compare their coverage to other MA plans available in their zip codes. Since 2008, only around **10% of MA enrollees switch** to a different MA plan each year. Black and Hispanic enrollees are less likely to review their current coverage and to compare their coverage with other available plans than white enrollees are. People with lower incomes or who are dually eligible for Medicare and Medicaid are also less likely to review and compare their coverage.

Legislative and administrative changes have made MA choices more complex, including increased MA plan flexibility through the expansion of supplemental benefits, the elimination of the uniformity and meaningful difference requirements leading to more plans and more subtle variations between them, and a weakened distinction between marketing and educational events.

The proliferation is spurred by insurers flocking to the MA market because it is **profitable and growing**. This is due to **persistent** and **systemic overpayment, predatory marketing**, and disparities between MA and Original Medicare benefits. According to a **Commonwealth Fund issue brief**, 24% of those who opted into MA were drawn by the extra benefits unavailable in Original Medicare, with another 20% citing the out-of-pocket cap.

Possible Solutions

- **Improve Medicare Plan Finder.** Beneficiaries struggle to compare plans and lack sufficient tools and supports for confident decision-making. Medicare Plan Finder should be upgraded by including integrated plan network information and accurate provider directories, clearer definitions and details about supplemental benefits, and the ability for unbiased assistors like SHIP counselors to easily save and send search results.
- **Standardize MA Plans.** Plan standardization, with only high-quality options, removes some of the complexity and risk of plan selection. There is precedent for such an approach in both **Medigap** and the **Marketplace**. Standardized MA plans ease plan selection and also advance equity by making it easier for CMS, consumers, advocates, and researchers to identify and prevent discriminatory benefit designs, such as plans that leave individuals with particular conditions or medication needs with substantial out-of-pocket costs.
- **Reinstate Meaningful Difference Standards.** Reinstating meaningful difference would declutter the marketplace and allow for easier distinction between plans.
- **Standardization and Regulation of Supplemental Benefits.** Currently, beneficiaries have little ability to assess the value or scope of supplemental benefits, or even whether they will qualify. We urge a standardization of supplemental benefits to ensure that they provide actual value.

- **Strengthen Marketing Rules.** We recommend more rigorous oversight of MA plans and their downstream marketing and sales entities. This includes realigning and requiring the disclosure of financial incentives, developing stronger rules and enforcement mechanisms regarding the sale of Medicare products, and increasing transparency around consumer complaints and experiences with brokers, agents, and marketers.
- **Curtail MA Overpayments.** The current MA financing design overpays plans, then allows the plans to use excess funding to provide supplemental benefits to entice beneficiaries into MA. Curbing MA overpayments would likely reduce some incentive to enter the cluttered MA market as well as lessen the leverage of supplemental benefits.
- **Bring Original Medicare and MA into Parity.** This includes adding an out-of-pocket cap, as well as dental, hearing, and vision coverage to Original Medicare.
- **Better Promote and Fund State Health Insurance Assistance Programs (SHIPs).** SHIPs are a primary and trusted source of unbiased counseling for people with Medicare who need help with their coverage and options. Current funding levels are unable to keep pace with growing demands, which are in part being driven by MA enrollment growth and an increasingly complex plan selection process.