

MEDICARE ADVANTAGE PROLIFERATION

TOO MUCH OF A VERY COMPLICATED THING

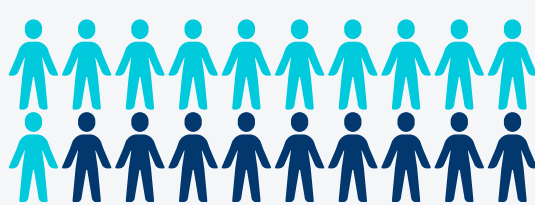
Medicare Advantage (MA) has expanded rapidly, offering an alternative to Original Medicare but with trade-offs like limited provider networks and care barriers, such as prior authorization requirements. As the number of plans grows, beneficiaries face increasing difficulty in comparing and choosing suitable options, which can result in higher costs, care delays, and access issues.

THE GROWTH OF MEDICARE ADVANTAGE ENROLLMENT

2014
31% of Medicare beneficiaries enrolled in an MA plan



2024
54% of Medicare beneficiaries enrolled in an MA plan

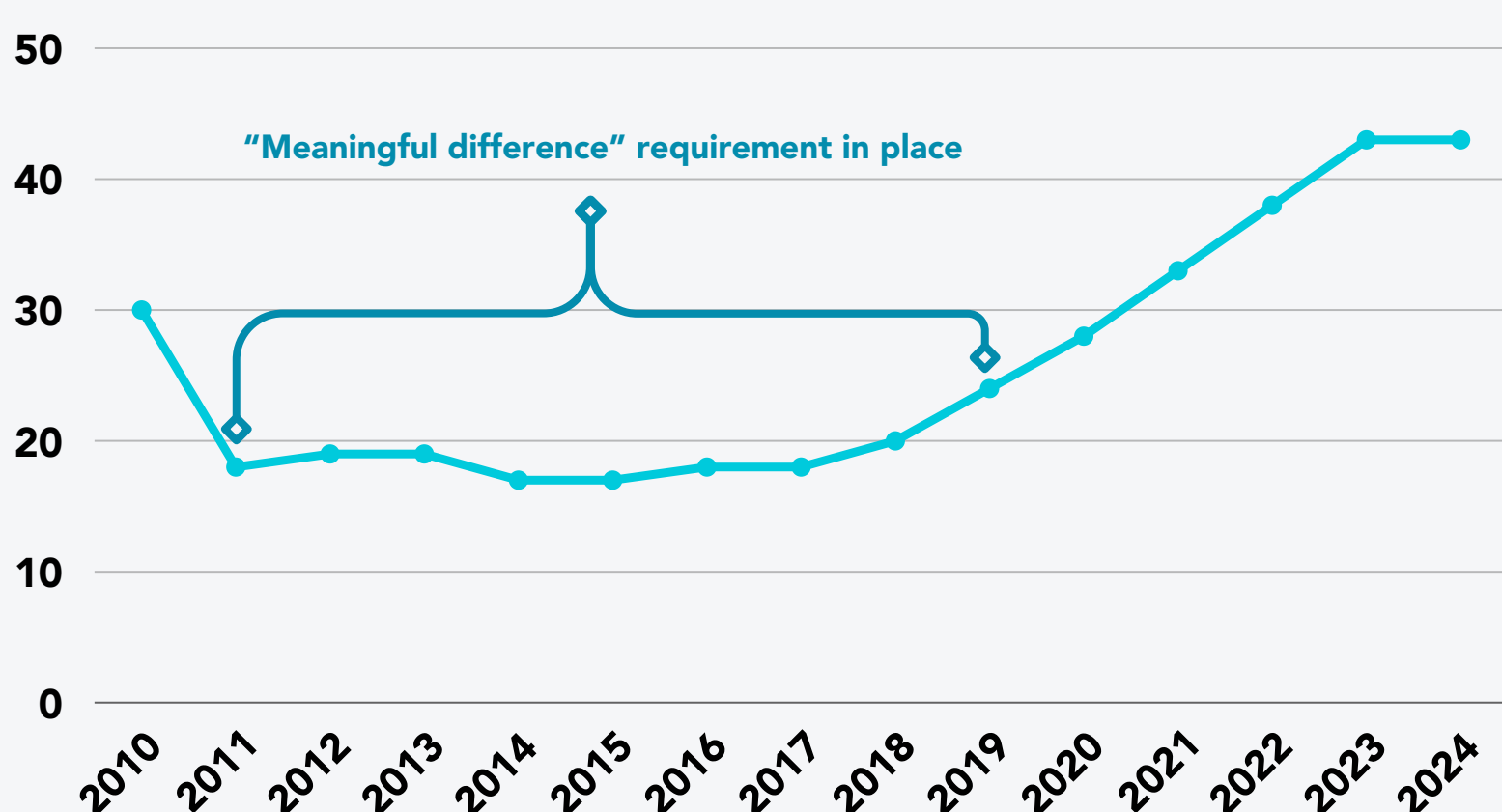


2034
(Projection)
64% of Medicare beneficiaries enrolled in an MA plan



MOST BENEFICIARIES HAVE TOO MANY OPTIONS TO MAKE AN EASY CHOICE

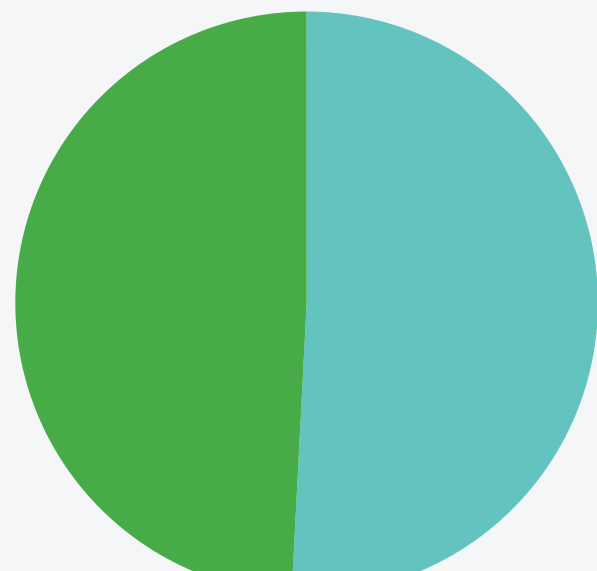
Average # of Plan Options



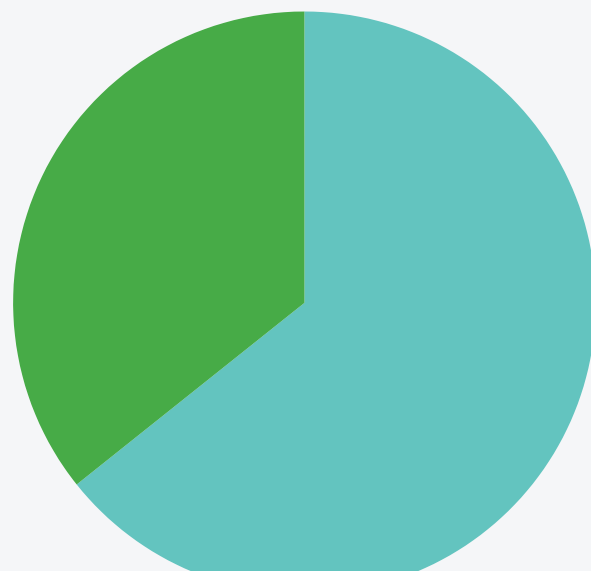
Under the "meaningful difference" standard, CMS only approved new MA plan bids if their key characteristics—like premiums, cost sharing, or benefits offered—were substantially different from the organization's existing plans in the area. This was based on research that a large number of plans can discourage consumers—especially elderly ones—from making decisions or changing plans.

WHERE BENEFICIARIES TURN FOR HELP

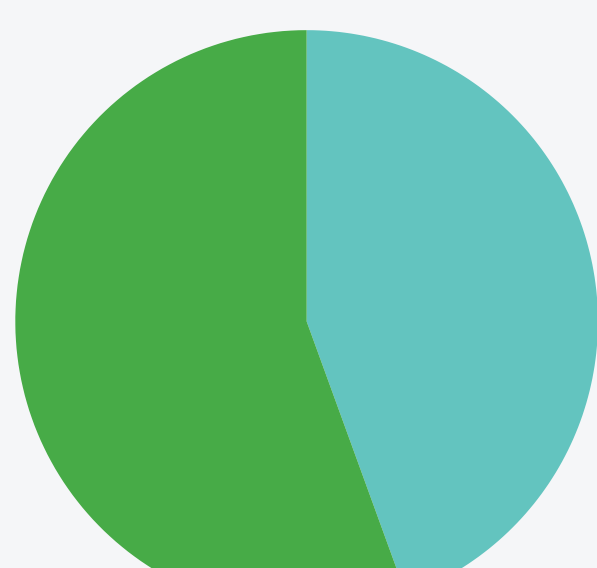
● Enrolled in Original Medicare ● Enrolled in Medicare Advantage



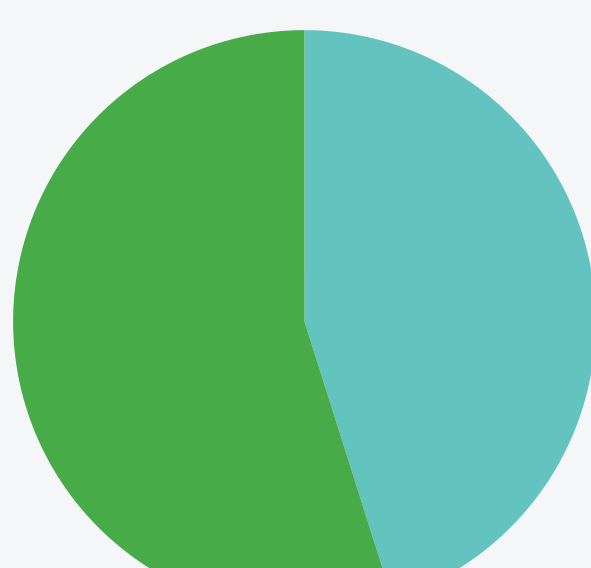
Used a Broker or Agent



Used Medicare.gov or 1-800-MEDICARE



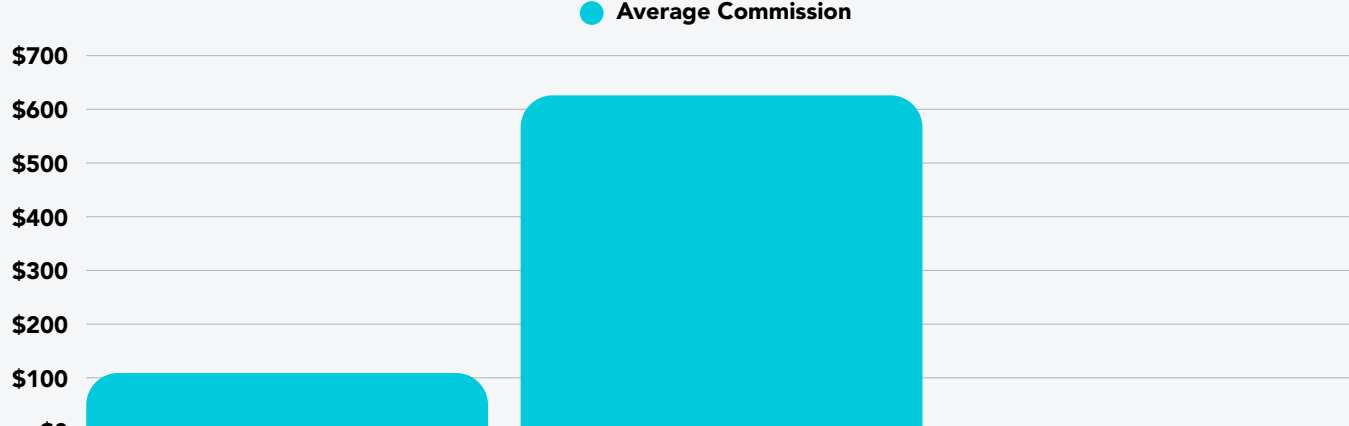
Used State Health Insurance Assistance Program (SHIP)



Did Not Receive Assistance

BROKERS AND AGENTS HAVE INCENTIVES TO STEER BENEFICIARIES INTO MA PLANS

Average Commission



KEY TAKEAWAYS

- 1. Clearing up the cluttered plan landscape** could be accomplished by curtailing MA overpayments, which currently incentivize flooding the market. Additionally, plans should be both standardized and meaningfully different from one another to make plan comparison easier.
- 2. To help beneficiaries relying on brokers and agents**, brokers should not be financially incentivized to steer them towards MA plans. This would require reforming broker payment rules. Additionally, stronger marketing guardrails would further protect and empower beneficiaries to make appropriate plan selections.
- 3. Improving access to decision-making resources** calls for updates to Medicare Plan Finder, as well as increasing funding for SHIPs and other programs which provide specialized, local counseling.

MEDICARE RIGHTS CENTER

For further reading and citations, read the associated brief *Medicare Advantage Proliferation: The Overpayment Cycle*, available on medicarerights.org/policy. Additional sources for this infographic:

- www.cms.gov/newsroom/fact-sheets/cms-finalizes-policy-changes-and-updates-medicare-advantage-and-prescription-drug-benefit-program
- www.federalregister.gov/documents/2010/04/15/2010-7966/medicare-program-policy-and-technical-changes-to-the-medicare-advantage-and-the-medicare#page-19736
- www.govinfo.gov/content/pkg/FR-2009-10-22/pdf/E9-24756.pdf