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April 10, 2025

The Honorable Susan R. Donovan
Of the House Health and Human Services Committee, Chair
Rhode Island State House
82 Smith St., Providence, RI 02903

RE: AHIP Comments on HR 5434, House Resolution Respectfully Urging the United States Congress to Protect Patients and Traditional Medicare from Medicare Advantage

To Chair Donovan and Members of the House Health and Human Services Committee,

America's Health Insurance Plans (AHIP) appreciates the opportunity to comment on HR 5434, a resolution urging federal action to impose further restrictions on Medicare Advantage Plans.

Value of Medicare Advantage. More than half of all eligible Americans – over 34 million people – have chosen Medicare Advantage (MA) because it delivers better services, better access to care, and better value.

This vital part of the Medicare program is an enormously successful model of public-private partnerships that offers choice, competition, and innovation. The MA program delivers high-quality, affordable coverage and care to tens of millions of America's seniors and people with disabilities.

The MA program also has strong bipartisan support from the U.S. Congress¹ because it is a prime example of a public-private partnership that lowers costs, provides more choices, and delivers better outcomes for the American people.

Here are some facts that show the value of MA and why MA is strongly supported by policymakers and seniors who have chosen MA for their Medicare coverage.

Consumer experience and satisfaction. Satisfaction rates from senior voters about their MA plan exceed 90%.² MA is popular with consumers because it does more for them. MA provides financial security, access to care, and offers extra benefits that traditional fee-for-service Medicare (FFS) does not cover, including a cap on out-of-pocket costs.

Comprehensive benefits. Most MA plans offer additional benefits such as prescription drug coverage, comprehensive dental, vision, and hearing coverage. Additional benefits not covered under FFS that MA plans may also offer help to address social drivers of health, including home delivered meals and transportation to and from doctors' appointments.³

Affordable choices. Compared to FFS, MA plans also deliver affordable coverage choices for a more diverse and vulnerable population, including 65% of beneficiaries dually eligible for Medicaid benefits who choose MA.⁴ In addition, about 59% of Medicare beneficiaries who belong to diverse populations choose

¹ <https://www.ahip.org/resources/senate-bipartisan-medicare-advantage-letter#entry:172623@1:url>

² https://ahiporg-production.s3.amazonaws.com/documents/202403_AHIP_1P_MA_ByTheNumbers-v05.pdf

³ https://ahiporg-production.s3.amazonaws.com/documents/202403_AHIP_1P_MA_ByTheNumbers-v05.pdf

⁴ <https://www.ahip.org/resources/medicare-advantage-demographics>.

MA, accounting for a much higher share of all MA beneficiaries (30%) than their share in FFS (18%).⁵ Benefits of MA coverage include its affordability. 99% of Medicare beneficiaries in 2024 have access to an MA plan offering Part D benefits for no premium beyond the standard Medicare Part B premium⁶ and the average MA beneficiary has access to more than \$2,100 in additional benefits beyond Medicare coverage during 2023.⁷

High quality care. Numerous studies also demonstrate that MA plans are better than FFS at providing access to preventive care and identifying and treating chronic disease early, which keeps senior patients healthy and prevents unnecessary trips to the hospital. For example, a recent study showed that MA outperforms FFS on 10 out of 11 Healthcare Effectiveness Data and Information Set (HEDIS) measures focused on preventive and chronic disease care.⁸ MA also provides better clinical outcomes including fewer hospitalizations in comparison to FFS.⁹

Efficiency. MA is much more efficient than FFS. In 2024, the cost for MA plans to deliver the basic Medicare benefit, compared to FFS is 82%, on average.¹⁰ Research suggests the Medicare Hospital Trust Fund could remain solvent almost two decades longer if FFS were as efficient as MA.¹¹

Access to care standards. MA plans must meet time and distance standards under the MA network adequacy requirements to ensure that MA beneficiaries have access to care.¹² And MA plans must ensure access and availability to covered services consistent with the prevailing community pattern of health care delivery in the areas served by the plan's network.¹² MA plans must also arrange for health care services outside of the plan provider network when network providers are unavailable or inadequate to meet an beneficiary's medical needs.¹³ Additionally, the MA program requires that plans provide out-of-network coverage for medically necessary services at in-network cost sharing if the plan's network providers cannot provide the service at issue.¹⁴

Improvements to the program. The Centers for Medicare & Medicaid Services (CMS) has federal oversight over the Medicare program and engages actively in rulemaking and other forms of regulation, including the following:

- Increased oversight of marketing activities and more marketing restrictions. In its 2024 MA rule¹⁵, CMS imposed more restrictions on marketing and advertising activities to protect Medicare beneficiaries throughout the country from misleading and inappropriate marketing activities for plan year 2024. For example, CMS reviews and approves all MA plan television ads to ensure their compliance with federal marketing requirements.
- Improvements to the prior authorization process. Included in CMS' 2024 MA rule were provisions to improve the prior authorization process for MA beneficiaries and providers effective for plan year 2024.¹⁶ For example, MA plans must align their coverage criteria with coverage standards under FFS. CMS also issued a separate rule on February 8, 2024 with provisions that support the

⁵ Id.

⁶ <https://www.kff.org/medicare/issue-brief/medicare-advantage-2024-spotlight-first-look/>

⁷ <https://www.medpac.gov/document/march-2023-report-to-the-congress-medicare-payment-policy/>

⁸ <https://www.ahip.org/news/press-releases/new-study-demonstrates-higher-quality-of-care-in-medicare-advantage-when-compared-to-original-medicare>

⁹ <https://www.globenewswire.com/en/news-release/2023/11/01/2771249/34825/en/New-Research-From-Inovalon-and-Harvard-University-Finds-Medicare-Advantage-Beneficiaries-Have-Superior-Quality-Outcomes-Relative-to-Traditional-Medicare.html>

¹⁰ https://www.medpac.gov/wp-content/uploads/2024/03/Mar24_MedPAC_Report_To_Congress_SEC.pdf

¹¹ <https://www.ahip.org/news/press-releases/new-research-finds-that-if-original-medicare-had-similar-utilization-to-medicare-advantage-it-could-boost-medicare-trust-fund-viability-by-nearly-two-decades> ¹² 42 CFR Section 422.116.

¹² 42 CFR Section 422.112.

¹³ Id.

¹⁴ Id.

¹⁵ 88 Federal Register 22120, April 12, 2023.

¹⁶ Id.

advancing of interoperability and improving the prior authorization process for MA and other federal programs.¹⁷ This CMS rule requires plans to adopt electronic prior authorization standards and build an application programming interface (API) to support electronic prior authorizations between plans and providers, shortens plan response times on prior authorization requests and requires plans to publicly report certain prior authorizations metrics including for denials and appeals data on an annual basis to improve transparency about prior authorization use.

AHIP believes that Medicare beneficiaries deserve to have a choice to obtain coverage from an affordable, high quality MA plan that could also provide them with extra benefits that are not available under FFS. For these reasons, AHIP opposes HR 5434.

Thank you for your consideration of our comments. AHIP and its members stand ready for further discussions on this important topic.

Sincerely,



Sarah Lynn Geiger, MPA
Regional Director, State Affairs

America's Health Insurance Plans (AHIP) is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

¹⁷ 89 Federal Register 8758, February 8, 2024.