

The Consumer Perspective: Challenges of Medicare Advantage

- 1. The federal government hands the Medicare Advantage plans all the money for providing care upfront.** Large employers learned long ago that paying insurers to serve as third-party administrators is more cost-effective, more transparent, helps ensure people get needed care and easier to hold them accountable for their behaviors.
What can Congress do? It could pay insurers to serve as third-party administrators.
- 2. MA plans profit from [delaying and denying care inappropriately](#) and can design their health plans in ways that limit their spending:** restricted provider networks, low-cost providers, [prior authorization requirements](#), other administrative and financial obstacles. That's how they [maximize profits](#).
What can Congress do? It could set the coverage and payment rules so that it's hard for Medicare Advantage plans to deny care inappropriately.
- 3. They [overbill taxpayers](#) for their services**, at least \$124 billion between 2009 and 2019, claiming that their members are less healthy than they are in order to get paid higher rates.
What can Congress do? It could pay insurers a fee to administer claims.
- 4. They keep much of their data proprietary, so their costs and practices are a black box, and it's hard to monitor them.**
What can Congress do? It could require all provider claims be submitted directly to CMS.
- 5. Medicare Advantage plans can keep centers of excellence and high-quality specialists and other providers from being in their networks.** Many of them establish networks that [lack centers of excellence](#) and high-quality specialists, to deter people with complex conditions from enrolling and lead people who develop serious conditions to disenroll.
What can Congress do? Congress could require Medicare Advantage plans to cover care from all Medicare providers.
- 6. Medicare Advantage plans are rarely accountable for contractual violations and violations of Congressional mandates.** When Congress mandates free Covid testing, for example, insured Americans still receive bills for their tests and health insurers are not held to account. It is hard to know when they [violate the law](#). When they are caught, they are virtually never at serious financial risk.
What can Congress do? Congress has little ability to identify abuses, let alone stop them and penalize health insurers in ways that protect people with Medicare. Moreover, as corporate leadership changes, insurer behaviors can change in dangerous ways, with no consumer protections.
- 7. Medicare Advantage plans [drive up costs and can undermine quality of care](#).**
What can Congress do? Congress could pay them a fee to administer claims and require them to follow government coverage and payment protocols. They should be publicly accountable for the funds they receive and demonstrate through independent audits what they are doing to manage care and how they improve care. They should be required to report denial rates and [mortality rates](#) and other data by plan.

1. Over the past 30 years large employers in America came to simple and common conclusion. Handing over all the dollars spent on employee healthcare coverage to third party insurers was a mistake. It results in more profits for insurers, higher costs for the customer, a black when it came to understanding costs, indifferent impact on the quality of care and an inability to control the experience of employees. The Federal Government and every tax payer should have learned the same lessons from our 35 year experiment to privatize Medicare. It costs more, the costs are unclear, they are unable to demonstrate meaningful better outcomes, coverage options are plentiful, but confusing.
What Congress Should do: We should take the same approach that employers took with large insurance companies. Fire them, hire a firm to administer the program using some of the well established cost management tools that MA Plans use, and structure some alternative products that may attractive to different individuals. Fix the underlying problem areas – where we pay more.