



Across the US, Seniors in 4- and 5-Star Plans are Missing Millions in Medicare Advantage Benefits

Medicare Advantage was Designed to Reward Superior Performance

- The Medicare Advantage program seeks to improve quality, in part, by offering bonuses to health plans receiving 4 or 5 stars on their quality ratings
- As authorized by Congress, “Quality Incentive Payments” (QIPs) are designed to serve not only as financial incentives for plans to work closely with providers to increase quality, but also to improve benefits for seniors
- Importantly, every dollar rewarded via a QIP must be returned to beneficiaries in the form of reduced premiums or increased services

What Does This Mean for Seniors?

- Seniors are missing out on \$821 million in 2018 of reduced premiums or increased services
- Of note, by statute, QIP funds are prohibited from going to a health plan’s bottom line – they must be returned to seniors in the form reduced premiums or increased services.

But Quality is not Being Rewarded and Seniors are Losing Out

- Congress imposed a cap on MA payment benchmarks at the same time QIPs were enacted
- The benchmark cap has, in many cases, disproportionately affected the highest rated plans by including QIPs as under the cap and limiting the payments
- The effect has been to reduce or eliminate QIPs to ACHP’s highest-performing MA plans
- The unintended consequence of the benchmark cap provision has been to undermine value-based care, disincentive quality and diminish benefits to seniors

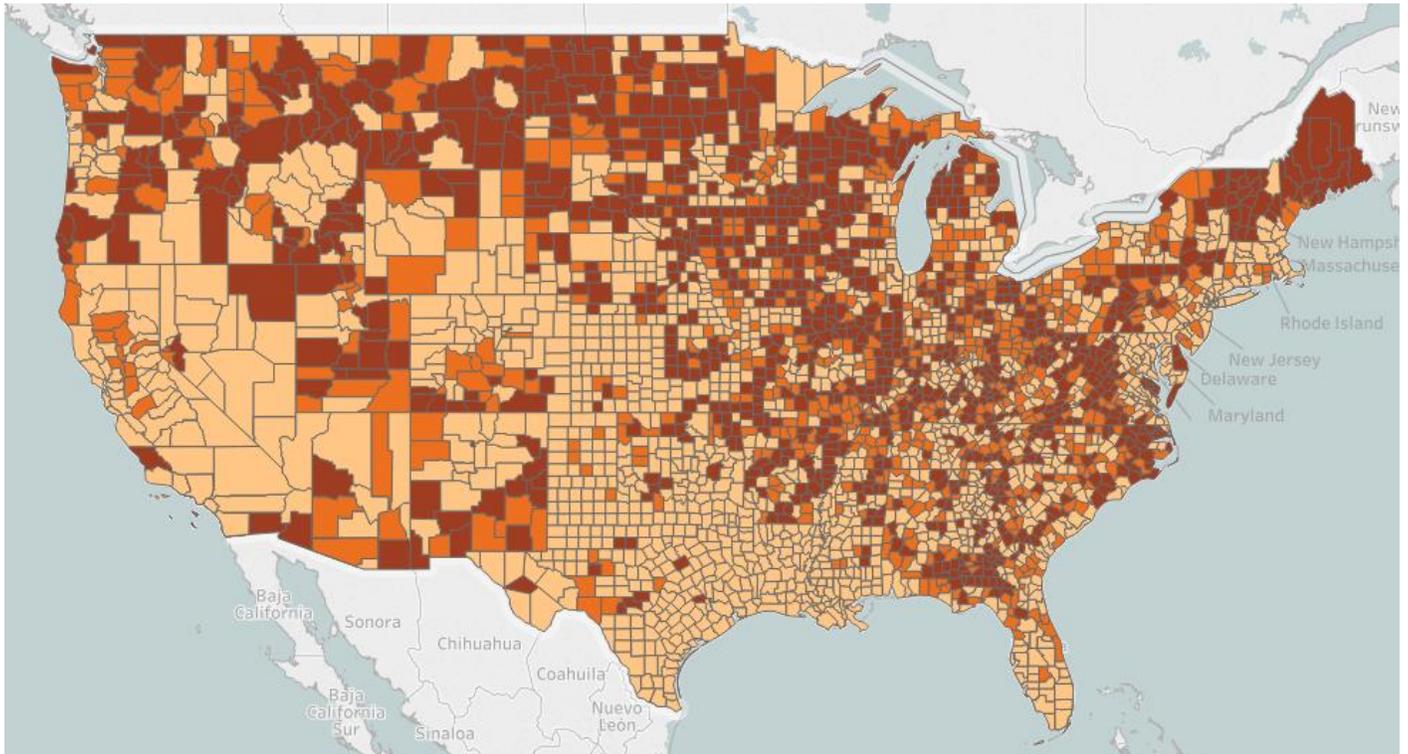
Is there a Solution? Yes, two Options

- Congress can pass bipartisan legislation, [H.R. 908/S. 3497](#), the “Medicare Advantage Quality Payment Relief Act”
- HHS/CMS can use its administrative authority to address the glitch in the calculation, see below summarized legal opinion.

Who are ACHP Members?

- Members are non-profit, community-based, provider aligned plans active in 32 states and the District of Columbia, providing both private and public coverage and care to more than 20 million Americans, including 2.3 million Medicare beneficiaries.
- Six of the 14 5-star MA/PD plans are ACHP member plans, in addition to two 5-star, MA-only plans.
- 85 percent of enrollment in 5-star plans is in plans offered by ACHP members

2018 QIP Loss Impact



County-Level Benchmark Cap Impact

-  No Impact
-  Impacts Part of QIP
-  Impacts Entire QIP