



AMERICANS FOR PROSPERITY



March 5, 2024

Dear Secretary Xavier Becerra and Administrator Chiquita Brooks-LaSure,

We urge you to resist recent efforts to undermine the Medicare Advantage (MA) program. Beneficiaries are overwhelmingly satisfied with their Medicare Advantage plans, MA plans are a more efficient form of coverage, and the program, with its free market characteristics, stands as a protection against a “Medicare for All” system.

Medicare Advantage health coverage, or Part C, is provided through private plans rather than government-run plans, as it allows private insurance companies to compete for Medicare beneficiaries’ business. This stands in contrast to Traditional, or Fee-for-Service (FFS), Medicare, which is government-run coverage that requires individual enrollees to pay separate monthly premiums for each service rendered.

As it stands, MA is one of the best vehicles within federal health programs to expand healthcare access and promote patient choice. Efforts should seek to improve this vehicle and capitalize on its success – not push people towards *less efficient, less popular* alternatives.

In January, Medicare Payment Advisory Commission (MedPAC) members [clashed](#) on which changes to Medicare Advantage they would recommend. As [reported](#) in Fierce Healthcare, Brian Miller, a member of the commission, [explained](#) that the status report was anti-Medicare Advantage, and only highlighted negative aspects of the program, suggesting bias in the commission.

The Biden Administration has already [cut \\$4.7 billion](#) in Medicare Advantage funding.

Taxpayers and beneficiaries should be concerned that this report is the start of a new effort to deliver more cuts to Medicare Advantage.

Medicare Advantage plans are popular. [According to the Better Medicare Alliance](#), MA covers 32 million people, accounting for more than 51 percent of people with Medicare. It delivers an average \$2,434 more in savings to beneficiaries than those under FFS Medicare. The average premium for 2023 MA plans is [\\$18 per month](#). Further, it has a [95 percent](#) consumer satisfaction rating.

Medicare Advantage plans deliver more efficient coverage. The Biden Administration’s previous cut was not a serious effort to “reduce spending.”



In reality, Medicare Part A (Medicare hospital coverage) is what is driving the program towards insolvency: last year it lost \$3 billion and by 2028 the hospital insurance trust fund will be completely depleted.

On the contrary, [according to a report by Milliman](#), the value of the government’s dollar paid to Medicare Advantage plans is higher than the value of the government’s dollar spent on Traditional Medicare, or FFS Medicare.



Milliman [estimates](#) that the value of the reduced cost sharing and additional benefits is \$123 per member per month, “\$48 for the reduction in cost sharing for Medicare-covered services and \$76 for the value of additional benefits not covered by Traditional Medicare.” In all, Medicare Advantage adds \$32.5 billion in value to the federal government and beneficiaries.



If truth be told, efforts to gut Medicare Advantage are calculated steps towards establishing Medicare for All. The motivation behind undermining Part C is obvious: the Left is uncomfortable with the competitive, free-market aspects of Medicare Advantage and they would much rather have government-run Medicare for All. Understandably, central planners are not thrilled that the introduction of free market competition within Medicare has proven successful.



Once again, we urge you to resist recent efforts to undermine the Medicare Advantage program. If the Biden Administration is serious about reducing costs, it would focus on the primary drivers of insolvency – not gutting a highly popular, more efficient form of coverage.



Sincerely,



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