

# Medicare Advantage Offers Valuable Consumer Protections

Fact Sheet June 2018

## Key Facts

Medicare Advantage provides the same benefits as FFS Medicare, with additional consumer protections that include:

- Annual limits on out-of-pocket costs.
- Supplemental benefits such as vision, hearing, and dental.
- Quality information for consumers to make informed decisions.
- More flexible benefit and payment structures to meet patients needs.

## BMA Policy Recommendations

To better enable beneficiaries to make the best choice of coverage for their health needs and financial circumstances, the Centers for Medicare & Medicaid Services should continue to improve their information, materials, education and outreach to ensure that beneficiaries have accessible, user-friendly information on all coverage options, including the consumer protections specific to Medicare Advantage.

**Medicare Advantage is an option that allows Medicare-eligible seniors and individuals with disabilities to choose a private, integrated managed care health plan to receive their Medicare benefits, instead of Traditional Fee-For-Service (FFS) Medicare. Medicare Advantage health plans are required to provide the same benefits as FFS Medicare, with additional consumer protections, quality standards, and the ability to offer additional benefits.**

## Important Consumer Protections Focused On Access And Coverage

- Medicare Advantage covers all Medicare benefits, typically including prescription drug coverage, and extra benefits and lower out-of-pocket costs compared to FFS Medicare.
- Medicare Advantage has an annual limit on out-of-pocket costs for beneficiaries. FFS Medicare does not have out-of-pocket limits.
- In 2018, the average Medicare Advantage premium for beneficiaries is \$30 per month. 94% of beneficiaries had access to at least one \$0 premium Medicare Advantage plan.
- Many with FFS Medicare buy a supplemental private policy, called Medigap, to help pay for physicians' costs not covered by FFS Medicare. Medigap is not necessary for Medicare Advantage beneficiaries.

## High-Value Provider Networks

- Medicare Advantage partners with providers to build networks that meet patient's needs. FFS Medicare does not have provider networks – beneficiaries may see any doctor, specialist, or hospital that participates in Medicare. FFS Medicare providers do not work in integrated health systems and care is more fragmented, with beneficiaries responsible for finding the providers they need.
- Provider networks in Medicare Advantage enable health plans to coordinate care and manage enrollees' conditions to achieve better health outcomes.
- Medicare Advantage provider networks must meet strict adequacy standards to ensure beneficiary access to care based on distance and clinical need.

## Quality Information For Consumers To Make Informed Decisions

- Medicare Advantage health plans are required to report performance on quality through the Star Ratings System. FFS Medicare has no equivalent public quality accountability.
- Today, 75% of Medicare Advantage enrollees are in health plans with the highest star ratings.
- Medicare Advantage health plans with the high star rating of 4-5 stars receive bonus payments that are used to offer additional benefits, like wellness programs, vision, dental, and hearing services.

## Innovative And Flexible Benefits Aimed At Improving Care And Health Outcomes

- With a more flexible benefit and payment structure than FFS Medicare, Medicare Advantage can offer patients additional services and use innovative models of care delivery to meet beneficiaries needs, like telemedicine, community partnerships and care in the home.
- Recent legislative and regulatory Medicare Advantage changes offer even more flexibility to tailor provider networks, benefit structures and supplemental benefits to deliver value to consumers.
- Medicare Advantage is well equipped to attend to high-need, high-cost beneficiaries through Special Needs Plans, which are a specialized type of Medicare Advantage health plan designed to serve frail, disabled, and chronically-ill individuals.