



October 17, 2023

The Honorable Ron Wyden  
Chairman  
Senate Finance Committee  
Washington, DC 20510

The Honorable Mike Crapo  
Ranking Member  
Senate Finance Committee  
Washington, DC 20510

Dear Chairman Wyden, Ranking Member Crapo and members of the Senate Finance Committee:

Thank you for your public service and work to ensure Americans have access to high-quality, affordable health coverage and care. The Alliance of Community Health Plans (ACHP) applauds the bipartisan congressional support for the Medicare Advantage (MA) program and is honored to have one of our Board Members, Security Health Plan CEO, Krista Hoglund, testify before the Committee. I write in support of efforts to crack down on misleading marketing in the MA program, ensure seniors have access to unbiased information when selecting their coverage and standardize total broker compensation in the Centers for Medicare and Medicaid Services (CMS) upcoming proposed rule on MA.

ACHP member companies represent the nation's top-performing, non-profit health organizations improving affordability and outcomes in the health care system for millions of Americans across nearly 40 states and D.C. ACHP member companies are non-profit, provider-aligned health plans that have led the MA program in high-quality coverage and care since its inception. Although our member companies represent just 10 percent of the total MA market, they cover 33 percent of 5-star enrollees.

With the beginning of the Medicare annual open enrollment period, and more than half – and growing – of beneficiaries enrolled in a MA plan, we welcome the Senate Finance Committee hearing on “Medicare Advantage Annual Enrollment: Cracking Down on Deceptive Practices and Improving Seniors Experiences.”

Brokers play an essential role as a resource to seniors as they search for the plan that best meets their needs. CMS sets a fair and adequate maximum broker commission that is adjusted annually (in 2023, \$611 per new enrollee and \$306 for first-year renewal). However, there are no limits on creative add-on fees such as referral payments, marketing, administrative expenses, bonuses and incentives for completing a health risk assessment. As a result, brokers and affiliated field marketing organizations often collect more than double the commission limits, totaling billions of taxpayer dollars each year that could be used to deliver care or extend the Medicare Trust Fund. The financials are straightforward: the more seniors a broker enrolls in the most lucrative options, the higher their earnings.

While the MA program is an undeniable success, we recognize that even the most successful programs need a refresh. Earlier this year, we released [MA for Tomorrow](#), an ambitious set of policy proposals that embrace the success of the MA program while advancing practical ideas that take MA to the next level in coverage and care.

*MA for Tomorrow* includes proposals to safeguard consumers and ensure an unbiased enrollment process. The average senior has 44 MA plan options to choose from making shopping for health care complicated and



oftentimes frustrating. In 2022, ACHP worked alongside the Senate Finance Committee to identify misleading marketing tactics in seniors' enrollment process. These findings were included in the Committee's investigation which found substantial evidence of misleading marketing, led by nefarious practices of third-party marketing organizations and "lead generation" firms. ACHP applauds the steps CMS took last spring to rein in misleading marketing, but more must be done. *MA for Tomorrow* takes additional steps to improve consumer navigation by:

1. Establishing a cap on health plan payments to marketing organizations, providing a fast-track review process for 5-star MA plans and strengthening oversight and penalties for misleading and inaccurate marketing.
2. Putting an end to misaligned broker compensation incentives to foster fair competition and high performance while reducing administrative costs.
3. Incentivizing brokers to enroll consumers in high-quality and value-based plans versus those offering the highest payments.

Last month, ACHP sent a [letter to Congressional leadership](#) urging policymakers to engage with CMS to regulate the total compensation paid to MA brokers in the upcoming Contract Year 2025 Part C and D Policy and Technical Changes proposed rule. Excessive add-on fees today are costing taxpayers billions each year. As the Senate Finance Committee investigates the MA enrollment process, ACHP urges the Committee to address the loopholes in broker compensation that dilute competition and increase costs for beneficiaries, plans and taxpayers.

ACHP appreciates the Committee's work to ensure MA beneficiaries have a seamless enrollment process. We look forward to working with you in support of the nearly 32 million seniors and counting enrolled in MA. If you have questions, or require additional information, please contact Tricia Guay ([tguay@achp.org](mailto:tguay@achp.org)), Director, Legislative Affairs.

Sincerely,

Ceci Connolly  
President and CEO  
Alliance of Community Health Plans

cc: Members of the Senate Finance Committee