Statement for the Record
Submitted to the House Committee on Ways and Means, Subcommittees on Oversight and Health
Re: Medicare Advantage Hearing
Submitted by: The Alliance of Community Health Plans (ACHP)

Date: July 23, 2025

Chairmen Buchanan and Schweikert, Ranking Members Larson and Sewell, and Members of the Subcommittees:

The Alliance of Community Health Plans (ACHP) thanks the Ways & Means Subcommittees on Health and Oversight for holding this important hearing on "Medicare Advantage: Past Lessons, Present Insights, Future Opportunities" and is pleased to submit this statement for the record. We commend the Subcommittees for dedicating attention to a program that serves more than 55 percent of Medicare beneficiaries. As enrollment continues to rise, it is critical that this public private partnership remain competitive, efficient and sustainable.

The Alliance of Community Health Plans (ACHP) represents the nation's best local, nonprofit health plans, providing high-quality coverage to tens of millions of Americans in 40 states and D.C. ACHP is the only national organization advancing a unique partnership model of coverage and care that fosters a truly competitive market. Our members consistently lead on quality, prevention and consumer experience, particularly in Medicare Advantage (MA), and are committed to advancing a strong and sustainable program.

ACHP remains concerned about aggressive MA marketing tactics, overpayments tied to risk adjustment gaming and increasing market consolidation. Investigative reports have highlighted how some MA plans exploit loopholes to inflate patient risk scores, leading to billions in excess taxpayer spending without improving care. Meanwhile, seniors are inundated with misleading advertisements and enrollment pitches, steering them toward plans that solely offer the highest broker compensation.

Today the MA market is controlled by a small cadre of national, for-profit insurers, threatening the competition and consumer choice that have long been hallmarks of the program. These developments have prompted calls from MedPAC, thought leaders, watchdogs and lawmakers from both parties for targeted reforms to restore integrity and accountability in MA.

We offer below three immediate policy changes to make the program fairer, more transparent and sustainable.

- ***Simplify and Streamline MA Risk Adjustment***: CMS should modernize the broken MA risk-adjustment model by returning its focus to care, not coding. A new model would rely on

demographic data and a limited set of clinically validated conditions, supported by care delivery or prescription data. This approach would drastically reduce gaming, lower administrative costs and better align payment with patient needs. CMS should pair this with a reinsurance program for rare, high-cost conditions and consider more timely adjustments aligned with diagnosis. A streamlined model would reduce audit costs, curb inappropriate coding and free up resources for prevention and care coordination.

- ***Raise the Bar on Quality***: The MA Star Ratings system should prioritize what matters most – health outcomes and patient experience, not process. To reduce burden on providers and deliver valuable quality information for consumers we must focus on a limited set of meaningful quality measures, improving the reliability and inclusivity of surveys and capping 4-star and above ratings to clearly distinguish top-performing plans for consumers.

- ***Fix the Flawed Health Equity Index***: The newly renamed "Excellent Health Outcomes for All" (EHO4all) reward factor, formerly the MA Health Equity Index, must be rescinded. While intended to improve care for underserved populations, the policy instead penalizes high-quality local plans — especially in rural areas — by tying bonuses to arbitrary enrollment thresholds based on a narrow definition of social risk. Many regional plans that outperform national carriers on clinical quality and member satisfaction are excluded from the reward simply because of geographic or demographic factors beyond their control. Under its current design, regardless of the name change, the index rewards volume, not quality.

  According to an independent analysis by Wakely, more than 75% of vulnerable beneficiaries meeting CMS's own criteria are ineligible for the reward. This unfair and anticompetitive policy threatens access to quality care for seniors in rural and smaller communities. CMS should develop an approach that supports high-performing plans serving at-risk populations.

ACHP has long been leading the charge to strengthen MA. We launched our *MA for Tomorrow* initiative in June 2023 with reforms that modernize the program while preserving what works. Built on our member companies' multi-decade community roots and payer-provider aligned model, this initiative offers actionable, evidence-based solutions to drive real competition by rewarding high-value care. There are five pillars included in the *MA for Tomorrow* initiative:

1. ***Raising the Bar on Quality*** *to* shift the focus from outdated process measures to patient-centered outcomes.

2. ***Advancing Risk Adjustment for Care, Not Codes*** to ensure risk adjustment serves patients, not profits.

3. ***Improving Consumer Navigation*** *t*o protect beneficiaries and help consumers make informed, value-based choices.

4. ***Modernizing Network Composition*** to ensure networks reflect how health care is delivered today.

5. ***Transforming Benchmarks*** to reduce reliance on local fee-for-service costs and strengthen incentives for delivering high-quality care.

The *MA for Tomorrow* framework focuses on practical changes that protect beneficiaries while strengthening the program and protecting every taxpayer dollar. It breaks the status quo by offering structural solutions to address overly complicated risk adjustment, enhance star ratings fairness, improve supplemental benefits and modernize network adequacy. These changes will simplify the system, ensuring patients remain the priority and save money while protecting the Medicare Trust Fund.

We urge Congress to build on the momentum of this hearing and focus on leveling the playing field to allow all MA plans to compete on care delivery, outcomes and patient experience. CMS retains the regulatory authority to advance many of *MA for Tomorrow's* policy solutions, and we encourage Congress to urge the agency to take necessary steps to strengthen and improve the program. ACHP and our member organizations stand ready to work with lawmakers on both sides of the aisle and with the Administration to advance commonsense reforms that improve MA for the seniors who depend on it today and the generations who will rely on it tomorrow.

We appreciate the Joint Subcommittees' interest in improving and ensuring future generations of seniors have access to MA. We look forward to working with the Subcommittees on advancing bold ideas to strengthen MA. If you have questions, please contact Dan Jones, ACHP's Senior Vice President of Federal Affairs at djones@achp.org.

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