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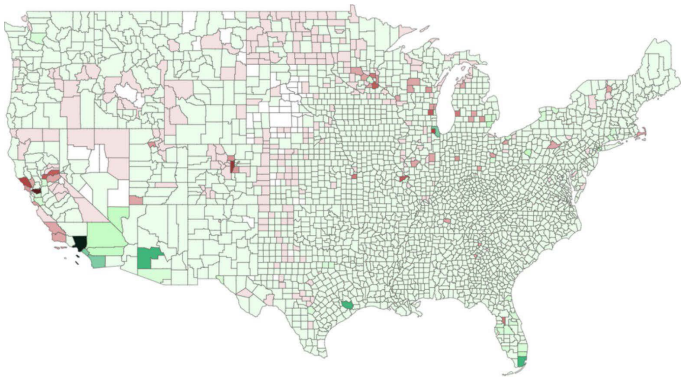
ELIMINATE THE MEDICARE ADVANTAGE HEALTH EQUITY INDEX

Seniors deserve a Medicare Advantage (MA) program that promotes competition and choice, enhances patient experience and delivers value for every dollar spent. To fulfill that commitment, immediate action is necessary to eliminate the MA star ratings Health Equity Index and reinstate the reward factor before these policies take effect.

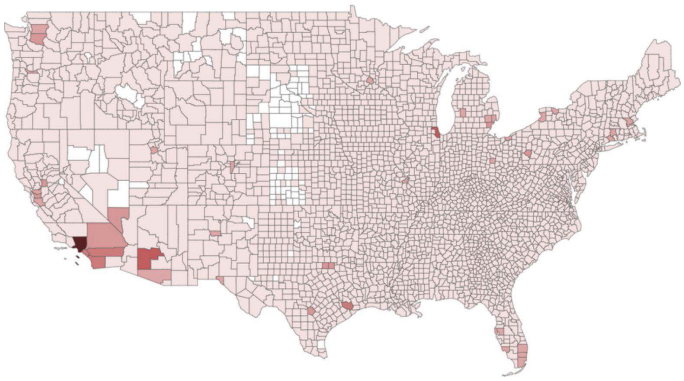
The Biden Administration's poorly designed policy does not incentivize closing gaps in care delivery and leaves out millions of consumers most affected by risk factors resulting in poor health. In many communities, particularly in rural regions, health plans can't even compete for the reward. This is anticompetitive, harms vulnerable consumers in underserved areas and is antithetical to quality investment.

ACHP-commissioned modeling by Wakely Consulting Group shows that while nearly every county in the nation has seniors with defined social risk factors to qualify for the HEI, more than three-quarters are enrolled in health plans that are ineligible for the full reward simply due to the flawed construct of the program.

Green areas have seniors with identified social risk factors



Red areas have seniors with identified social risk factors who are left out by the flawed HEI



The MA Stars Reward Factor, which recognizes high-performing health plans, must be reinstated immediately. It's unacceptable that plans with proven success are penalized instead of rewarded.

CMS must eliminate the health equity index and reinstate the MA stars reward factor to allow seniors to purchase the most high-quality health care coverage. Seniors deserve it.

Learn more about the work ACHP is doing to **improve the Medicare Advantage program** at MAforTomorrow.org

ELIMINATE THE MEDICARE ADVANTAGE HEALTH EQUITY INDEX BEFORE IT'S TOO LATE

How Does the Health Equity Index Work?

Background

Beginning in 2027, CMS will implement a HEI reward which is a composite of multiple star rating outcome measures. The HEI identifies and rewards eligible health plans improving care quality for socially at-risk beneficiaries. Only beneficiaries who are dually eligible for Medicaid, receive a low-income subsidy or who joined Medicare under age 65 due to disability will be counted as having social risk factors in the HEI calculation. This leaves out millions of beneficiaries who struggle with health literacy, access and other social needs. The HEI will replace the current reward factor for MA Star Ratings, further challenging health plans which have long led the industry in delivering high-quality care.



The Problem

In devising the new index, CMS took a narrow view on what qualifies a beneficiary as having social risk factors. This arbitrarily limits many beneficiaries in underserved areas who struggle with health literacy, access and other social needs. Further, while all MA plans will be evaluated under the new HEI, only MA contracts with the minimum threshold of beneficiaries with the defined set of social risk factors will be eligible for the HEI reward. In many communities, especially in rural regions, there are simply not enough beneficiaries meeting the limited social risk factor criteria to allow health plans to qualify for the HEI reward. This issue is further exacerbated in states such as California, Massachusetts and Minnesota that require separate MA contracts for dual eligible special needs plans (D-SNPs) and traditional MA plans. With the HEI reward calculated by MA contract, having separate D-SNP and traditional MA plan contract makes it nearly impossible for many MA plans to reach the enrollment threshold in traditional contracts and qualify for the HEI reward. Health plans should not be put at a disadvantage by state requirements that vary across the country.

The Alliance of Community Health Plans (ACHP) represents the nation's top-performing non-profit health plans to improve affordability and outcomes in the health care system. ACHP member companies provide high-quality coverage and care to millions of Americans in nearly 40 states and D.C.

In 2024 MA Star Ratings, ACHP members outperformed the industry on nearly 84 percent of measures, leading the way in quality for consumers nationwide.

Scan to learn more.

For more information, contact **ACHPadvocacy@achp.org**.