

RUTH D. WILLIAMS, MD

MDs Get a Cut, MA Gets a Raise

Ophthalmologists are weary of the annual news about reimbursement cuts. The proposed 2023 Medicare Physician Fee Schedule includes an estimated 4.42% reduction to ophthalmology. But while physicians are getting another pay cut, insurance companies are getting a big raise. CMS announced an average revenue increase of 8.5% to Medicare Advantage (MA) plans for 2023.

This 8.5% boost is more than double what the MA plans received in 2022. In addition, MA plans, like ophthalmologists who participate in MIPS, can get a quality bonus payment. However, unlike physicians, MA plans are not participating in a revenue neutral program. In 2021, MA plans got a combined 3% bonus of \$11.6 billion. On top of that, the number of MA plans getting a 5-star rating—and the maximum bonus—nearly quadrupled from 21 last year to 74 this year.

Moreover, MA is growing. The percentage of seniors opting for MA increased by 8% in 2021, and the trend is expected to continue. This isn't surprising, as many MA plans offer zero-dollar monthly premiums, and enrollees don't need to purchase Medigap policies. (Enrollees still pay the Part B Medicare premium, which significantly increased for 2023.)

Furthermore, there's strong bipartisan support for MA. Last spring, more than 60 senators sent a letter to CMS in support of MA,¹ and 346 members of the U.S. House of Representatives sent a similar letter.² The senators expressed appreciation for the "ongoing commitment to preserve and strengthen the program, as demonstrated in the proposed CMS 2023 Medicare Advantage and Part D Advance Notice."³

There's a perception that MA provides more coordinated care and offers more services than traditional Medicare does—and that it can cut costs over time, making the Medicare program more sustainable. However, earlier this year, in written testimony to Congress, the Medicare Payment Advisory Commission (MedPAC) shared concerns that MA is more expensive than traditional Medicare.⁴ For 2022, MedPAC estimates that payments to MA plans will be 104% of the payments to traditional Medicare for comparable beneficiaries and reports that the current MA program actually may decrease the sustainability of Medicare.

Because open enrollment begins this month, myriad cable network advertisements for various MA plans are now airing.

Some use retired athletes to espouse benefits like dental, vision, hearing, and medication coverage, and as the ads note, some plans even offer gym memberships and meal services.

Why do MA plans hire celebrities to promote their plans when Medigap plans don't? As a *Forbes* article explained,⁴ CMS pays a contracted amount to MA plans for each enrollee. Whereas traditional Medicare reimburses physicians and hospitals for the cost of care, the MA plan manages the cost of patient care to generate a profit. And while some of the strategies that MA plans have implemented to manage the cost of care are reasonable, many have caused bureaucratic nightmares for physicians and created barriers to care for patients. Examples include step therapy requirements for some of the most serious diseases and the previous misuse of prior authorization by Aetna and Humana for cataract surgery. (Due to an aggressive Academy campaign, Aetna dropped this requirement in most states.)

Clearly there is strong support for MA at CMS, the executive office, and both houses of Congress. Because MA will continue to be a significant payer for ophthalmology practices, continued Academy and AMA advocacy is essential for streamlining processes, protecting patients against barriers to care, and ensuring that plans adhere to evidence-based care.



Ruth D. Williams, MD
Chief Medical Editor, EyeNet

1 https://bettermedicarealliance.org/wp-content/uploads/2022/02/22.02.18_Senate-Bipartisan-Medicare-Advantage-Letter.pdf. Accessed Aug. 9, 2022.

2 https://bettermedicarealliance.org/wp-content/uploads/2022/01/final_2022_house_ma_letter_.pdf. Accessed Aug. 9, 2022.

3 www.medpac.gov/document/march-2022-report-to-the-congress-medicare-payment-policy/. Accessed Aug. 1, 2022.

4 Haass D. Why are Medicare Advantage plans so heavily advertised? *Forbes*. Feb. 24, 2021.