

## **Benefit redesign: the role of provider prices in determining the cost of private-plan Medicare insurance relative to FFS Medicare**

**ISSUE:** For the past 40 years Medicare has offered Medicare beneficiaries the option of receiving their Medicare benefit from a risk bearing private plan. The current private plans are called Medicare Advantage (MA) plans and are available to over 99 percent of beneficiaries. In this meeting, we will discuss lessons that can be learned from the history of MA plans with respect to prices paid to providers.

**KEY POINTS:** We will discuss issues regarding rates paid by MA plans to providers and discuss how those rates can affect plan premiums.

**ACTION:** Commissioners should provide direction and feedback on this installment of our work on private Medicare plans.

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