

## **Reforming the benchmarks in the Medicare Advantage payment system**

**ISSUE:** When the Affordable Care Act (ACA) payment reforms that reduced MA program payments were instituted, there was some concern about whether MA would continue to grow and attract Medicare beneficiaries. This fiscal pressure did not have the negative effect that some had predicted. On average across the nation, MA payments are nearly at parity with FFS expenditure levels. It is reasonable to ask whether 100 percent of FFS payments is the right yardstick for evaluating the efficiency of the MA program, given that we would expect plans to be more efficient than FFS.

**KEY POINTS:** We present three alternatives to the current benchmarks.

**ACTION:** At the November 2019 meeting, we seek Commissioners' guidance about the policy options.