

SENATOR STEVE DAINES (MT) & SENATOR ANGUS KING (ME)

Medicare Advantage Quality Payment Relief Act

Protecting Medicare benefits:

The *Medicare Advantage Quality Payment Relief Act* (S.1114) protects and enhances benefits for seniors and people with disabilities with Medicare Advantage (MA) coverage. It does so by removing a misguided policy that discourages high-quality MA plans from covering many parts of the country. The bill is companion legislation to H.R.2131, a bipartisan House bill led by Rep. Ron Kind (WI-03) and Mike Kelly (PA-16).

The bipartisan measure requires the Secretary of Health and Human Services to take Medicare Advantage Quality Incentive Payments (QIPs) out of the calculation of the MA benchmark cap. The quality-based bonus payments are intended to **go directly toward MA beneficiaries**—in the form of supplemental health benefits and/or lower cost-sharing—and they should be excluded from the benchmark calculation.

Background:

Congress created a new methodology for payment to MA health plans in the *Affordable Care Act*. At the same time, Congress authorized QIPs for MA plans with star ratings of 4 stars and above. If a plan is eligible for a QIP, it receives it in the form of a 5 percent increase to its benchmark, which must be used for enhanced benefits for beneficiaries.

The ACA also mandated that benchmarks under the new methodology cannot be greater than what they would have been under the old benchmark methodology. This is the benchmark “cap.” In some areas, the benchmark cap reduces or even eliminates the QIPs, thus high-performing MA plans may receive the same financially as a 3.5-star plan, because their extra quality incentive payments are capped. No other Medicare quality incentive payment works this way.

According to CRS, approximately 75% of MA enrollees are in plans with 4 stars or above, and roughly 50% of counties are impacted by the cap on quality bonus payments.

Broad Coalition Support:

S.1114 – Better Medicare Alliance, Alliance of Community Health Plans, America’s Health Insurance Plans, Consumer Action, Healthcare Leadership Council, Meals on Wheels America

Staff Contact:

To cosponsor this legislation, or if you have questions, please contact Rachel Green with Senator Daines or Megan DesCamps with Senator King.