

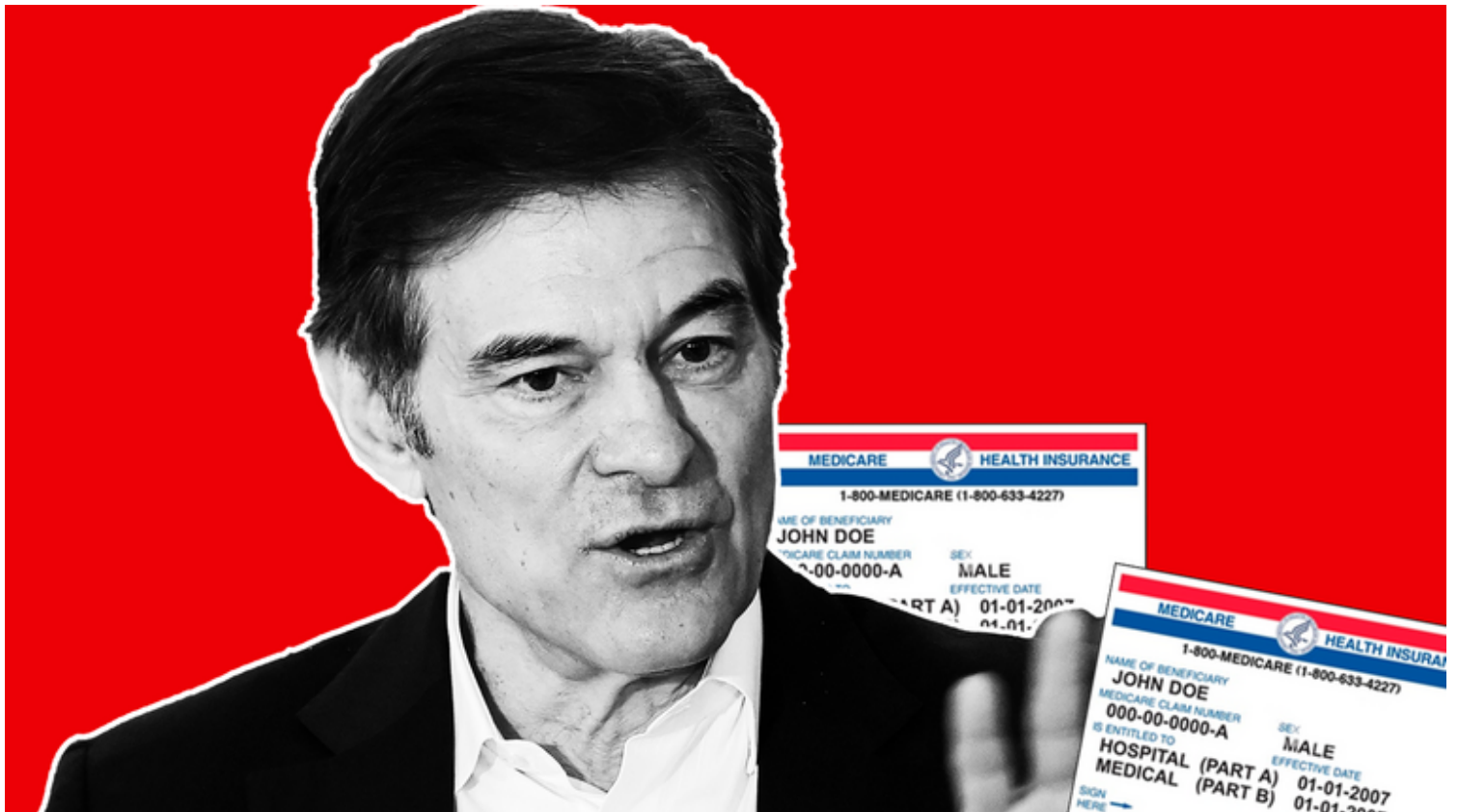


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Medicare Advantage under pressure as GOP looks to fund tax cuts

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Medicare Advantage has not been on Congress' menu for massive cuts this year but suddenly more Republicans say it should be.

Republicans largely drove the creation of Medicare Advantage in the late 1990s, championing the privatized version of Medicare on the rationale that the private sector would innovate and find efficiencies to save the broader Medicare program money.

Related: CMS nominee Oz clears Senate committee, heads to confirmation

Yet savings **have not materialized**, Medicare Advantage insurers have come under increasing criticism over their **marketing** and **prior authorization** policies, and even some Republicans have been **pushing for reforms**.

Republican lawmakers are looking to save hundreds of billions in order to **finance tax cuts**. Those GOP lawmakers who have raised concerns about the Medicare Advantage program recently got validation from long-time Medicare Advantage champion Dr. Mehmet Oz, President Trump's nominee to head the Centers for Medicare and Medicaid Services.

Oz, who **promoted the plans** on his television show and social media channels, repeatedly told lawmakers in his **confirmation hearing** last month that he agreed there are insurers who are over-diagnosing patients to overcharge the government, denying needed care and using underhanded marketing techniques.

During the hearing, Senate Finance Committee ranking Democrat Ron Wyden (D-Ore.) asked Oz what he thought were the biggest abuses in the private insurance market. Oz did not equivocate.

"Medicare Advantage," he said.

He also told Sen. Elizabeth Warren (D-Mass.) it would be "relatively enjoyable to go after" abusive insurers who practice "**upcoding**," where companies encourage providers to render as many diagnoses as possible to boost reimbursement.

Such words were music to the ears of Sen. Dr. Roger Marshall (R-Kan.), who voted last

week **to advance Oz's nomination** and pointed to estimates by the federal Medicare Payment Advisory Committee that the government spends an \$83 billion more a year on Medicare Advantage than it would if beneficiaries were in traditional Medicare.

"Like Dr. Oz, I thought Medicare Advantage was a good thing when it came out, but unfortunately, it's been manipulated," Marshall said in his remarks before last week's vote.

In the House, where Republicans passed a budget resolution that contemplates cutting some **\$880 billion** largely from health programs over a decade, members of the GOP Doctors Caucus in particular have cast a spotlight on Medicare Advantage's overpayments.

"Insurance companies are gaming the Medicare Advantage system," said Rep. Dr. Andy Harris (R-Md.) in an interview shortly after the House **passed its resolution** that Congress could spend more on **physician pay** if it targets insurers. "There's over \$100 billion of 10-year savings by stopping that egregious practice."

Medicare Advantage companies deny they abuse the system, and argue providers caring for patients through traditional Medicare tend to miss problems that need be addressed, and therefore "under code."

"Medicare Advantage requires complete and accurate diagnoses to determine government payments for seniors' care," Mary Beth Donahue, president and CEO of the advocacy group Better Medicare Alliance said in a statement. "This system doesn't only ensure taxpayer money is being used efficiently; having a more comprehensive understanding of seniors' health also results in earlier detection and better, more effective care."

Medicare Advantage insurers themselves have at least **partially embraced** some proposals to tighten prior authorizations and marketing practices.

Dr. Lawrence Casalino, a Medicare Advantage researcher and professor of population health sciences at Weill Cornell Medical College, said he wasn't entirely convinced Congress or Oz would act, in part because there is enormous pushback from the industry.

"I think it's too soon to know if they'll actually do anything," Casalino said. "I do think that there's more acceptance of the idea that over there is overpayment. The MA plans have enormous lobbying power though — enormous."

Indeed, a March analysis by the the left-leaning Public Citizen good government group found the seven companies that enroll 84% of Medicare Advantage beneficiaries spent more than \$330 million on lobbying over the last five years.

Even one lawmaker who favors reform of the private Medicare system, Sen. Dr. Bill Cassidy (R-La.), chair of the Senate Health, Education, Labor and Pensions Committee, said Congress should be deliberative in making changes, even as his House colleagues have raised the hope of using the pending budget effort.

In an interview, Cassidy said constituents and doctors in his state often give him an earful on Medicare Advantage.

"I'm very active thinking about it, basically, because you can't avoid it," Cassidy said. "You go home and you hear from constituents, you hear from the oncologist who can't get drugs for their patient, that sort of thing, and you hear the patient who couldn't get the drugs from the oncologist."

Murphy, who sits on the Ways and Means Health Subcommittee, said he thought he and other Republican doctors are in a good position to convince their colleagues to make changes based on Oz's public comments.

"The fact that Dr. Oz, who was in the MA world before, came out so strongly citing abuses by them speaks volumes," said Murphy, adding he thinks support for his view may go above Oz in the administration.

"I know there'll be pressure put by the number-one lobbying force in Washington, D.C., the insurance industry, to keep their coffers full," Murphy said. "But this is ridiculous. It is wasteful, and I really believe President Trump will get behind it, also."

"I'll believe it when I see it," said Casalino, referring to possible efforts by Congress and Oz and CMS. "I think it's too soon to tell."