



U.S. Chamber Issue Brief

The Business Case for Medicare Advantage Modernization

How business-led reforms can strengthen competition, affordability, and accountability in Medicare Advantage.

Medicare Advantage (MA) represents one of the most successful examples of public-private partnership in U.S. health care—delivering better outcomes, higher satisfaction, and lower costs for millions of Americans compared to traditional Medicare. It allows competition to drive innovation and efficiency while offering beneficiaries comprehensive, coordinated care. It is essential to recognize that MA's success is the result of market-driven design, accountable performance, and the freedom for plans and providers to meet patients where they are.

A Program Worth Protecting—and Strengthening

Medicare Advantage (MA) has become a cornerstone of American health care—delivering choice, innovation, and value to 35 million+ seniors and individuals with disabilities. Yet as the program evolves, policy frameworks have not kept pace with the realities of health delivery, rising costs, and technology-driven care.

To keep MA sustainable and competitive, policymakers should consider policies to modernize the program—focusing on fairness, flexibility, and transparency.

The goal of modernization is simple: preserve what works, make improvements to the program, and ensure continuity and stability for beneficiaries in the meantime.

Policy Priorities for Modernizing Medicare Advantage

1. Prior Authorization (PA) Reform

Industry alignment is strong around the need for streamlining access without sacrificing accountability. The Chamber supports:

- Industry-led efforts consistent with CMS's electronic and interoperability goals (e.g., FHIR-based data exchange).
- Standardized, transparent metrics to track patient access and clinician-reviewed authorizations.
- 90-day continuity of care during plan switches and real-time decisions in 2027 as benchmarks for reform.
- Guardrails to prevent duplicative reporting and punitive scoring that create administrative burdens without improving outcomes.

Goal: advance PA through reforms that promote innovation and operational efficiency.



2. Payment and Risk Adjustment Accuracy

Concerns around payment instability underscore the need for long-term predictability and sustainable program funding. MA's payment system must ensure accurate risk adjustment and payment integrity while avoiding punitive adjustments that discourage participation.

The Chamber urges policymakers to:

- Maintain accurate payment and policy stability across budget cycles that reflect the true costs of care in MA.
- Ensure risk adjustment methodologies are accurate, evidence-based, transparent, and fairly applied.
- Pursue sustainable payment approaches that ensure market stability, competition, and beneficiary access.

Goal: Ensure that payment rules sufficiently sustain MA plans' proven ability to lower costs and improve quality of care for beneficiaries.

3. Market Realignment and Program Stability

Recent market contractions by major insurers have been attributed to rising medical costs and reimbursement pressures and are not a sign of program weakness.

The Chamber is advocating for:

- **Policy continuity and predictability** so plans can adjust responsibly without destabilizing coverage.
- **Benchmark reforms and sound risk adjustment policies** to support sustainable plan participation.
- **Reinforcement of MA's role as a model for** affordable, high-quality care that benefits both seniors and employers.

Employer Group Waiver Plans (EGWPs) a/so play a critical role in this ecosystem- allowing employers to offer retirees comprehensive, cost-effective coverage through MA while reducing administrative complexity. Preserving and strengthening EGWPs ensures continued access to high-quality benefits for millions of retired workers and dependents.

Goal: ensure stabilization efforts are tightly aligned with modernization priorities, particularly prior authorization reform and tech adoption.

4. Supplemental Benefit Flexibility and Transparency

Innovation in supplemental benefits-such as dental, vision, hearing, nutrition, transportation, and fitness programs-remains one of MA's greatest strengths. However, inconsistent CMS guidance and data reporting requirements have created uncertainty for plans and partners.



The Chamber supports:

- **Greater flexibility** to deliver benefits that meet the complex care and needs of seniors.
- **Improved transparency** in plan benefit reporting processes that reduce operational complexity and burden.
- **Clearer CMS guidance** to encourage innovation without micromanagement.

Goal: preserve the principles of value-based, consumer-driven care throughout modernization-avoiding a return to one-size-fits-all regulation.

5. Responsible AI Governance in MA Operations

As artificial intelligence becomes embedded in plan operations-from fraud detection to predictive care-stakeholders increasingly see the need for responsible governance frameworks.

The Chamber encourages policymakers to:

- **Ensure** transparency and accountability in algorithmic decision-making so as not to unduly impede or delay access to beneficiary care
- **Convene** industry stakeholders to align data ethics, bias mitigation, and patient safety standards.
- **Ensure** AI regulation complements-not constrains-MA innovation.

Goal: promote smart governance that ensures innovation prioritizes patient outcomes-not just algorithmic efficiency.

On the Record: Correcting Misperceptions on Program Cost

A central challenge in the current MA discourse is how 'price' is perceived in Washington. Too often, program costs are compared to traditional Medicare without accounting for differences in benefit design, population risk, and efficiency.

That's why legislation like Rep. Aaron Bean's (R-FL) "Apples-to-Apples Comparison Act" or similar policy frameworks-deserves attention. This legislation has the right intent of ensuring policymakers rely on data that reflects the actual care and costs of MA enrollees when evaluating MA and FFS Medicare. Such reforms would help replace rhetoric with reality and allow Congress to base MA policy decisions on fair, accurate comparisons.

Conclusion: Modernization Through Partnership

Enhancing Medicare Advantage is not about reinventing a successful model-it's about ensuring that policy keeps pace with innovation, data, and demographics.



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By focusing on **payment accuracy, prior authorization reform, benefit flexibility,** and **transparency,** policymakers can protect what works and strengthen what needs updating.

The Chamber stands ready to partner with Congress and the Administration to deliver a modernization agenda rooted in accuracy, sustainability, and business-led innovation—keeping Medicare Advantage a model for American health care success.