

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 232
(A-24)

Introduced by: Association for Clinical Oncology, American College of Rheumatology

Subject: Medicare Advantage Part B Drug Coverage

Referred to: Reference Committee B

1 Whereas, 66% of Medicare beneficiaries have been diagnosed with at least two chronic
2 diseases; and
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4 Whereas, the majority of patients enrolled in traditional (fee-for-service) Medicare have
5 additional coverage that limits their financial exposure to the 20% coinsurance required for Part
6 B drugs and biologicals; and
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8 Whereas, over half of all Medicare-eligible patients were enrolled in a Medicare Advantage (MA)
9 plan in 2023; and
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11 Whereas, Medicare patients are increasingly choosing MA plans because many of those plans
12 have lower premiums and are more affordable for less affluent patients; and
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14 Whereas, more MA plans are listing specialty drugs and biologicals as either non-covered
15 benefits or are covering only 80% of the cost of physician administered drugs and biologicals;
16 and
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18 Whereas, patients enrolled in MA are prohibited from purchasing Medigap policies; and
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20 Whereas, less affluent patients may not be able to afford the remaining 20% coinsurance for
21 essential drugs and biologicals required by most MA plans, potentially leading to disparities in
22 health outcomes; and
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24 Whereas, prior to a chronic disease diagnosis, patients enrolling in MA can have no knowledge
25 of which expensive drugs and biologicals they may require and, further, that those drugs and
26 biologicals may be designated as non-covered by the plan or require a 20% coinsurance
27 payment; and
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29 Whereas, when a patient enrolled in MA is diagnosed with a chronic disease where costly
30 physician-administered drugs and biologicals are necessary, they cannot revert to traditional
31 (fee-for-service) Medicare or purchase a Medigap policy; therefore be it
32
33 RESOLVED, that our American Medical Association will advocate with Congress, through the
34 appropriate oversight committees, and with the Centers for Medicare & Medicaid Services
35 (CMS) to require that Medicare Advantage (MA) plans cover physician-administered drugs and
36 biologicals in such a way that the patient out of pocket cost is the same or less than the amount
37 that a patient with traditional Medicare plus a Medigap plan would pay.

Fiscal Note: Moderate - between \$5,000 - \$10,000

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REFERENCES

1. Chronic Condition Data Warehouse, "Medicare Beneficiary Summary Files," 2018. <https://www2.cdwdata.org/documents/10280/19099065/b2-prevalence-current-year.jpg>
2. Ochieng N, Clerveau G, Cubanski J, & Neuman T. (2023). A snapshot of sources of coverage among Medicare beneficiaries. Kaiser Family Foundation. [https://www.kff.org/medicare/issue-brief/a-snapshot-of-sources-of-coverage-among-medicare-beneficiaries/#:~:text=PNG-,Medigap,12.5%20million%20beneficiaries\)%20in%202021](https://www.kff.org/medicare/issue-brief/a-snapshot-of-sources-of-coverage-among-medicare-beneficiaries/#:~:text=PNG-,Medigap,12.5%20million%20beneficiaries)%20in%202021)
3. Ochieng N, Biniek JF, Freed M, Damico A & Neuman T. (2023). Medicare Advantage in 2023: Enrollment update and key trends. Kaiser Family Foundation. <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2023-enrollment-update-and-key-trends/>
4. Neuman T, Freed M, & Biniek JF. (2024). 10 reasons why Medicare Advantage enrollment is growing and why it matters. Kaiser Family Foundation. <https://www.kff.org/medicare/issue-brief/10-reasons-why-medicare-advantage-enrollment-is-growing-and-why-it-matters/>
5. Centers for Medicare and Medicaid Services. Learn how Medigap works. US Department of Health and Human Services. <https://www.medicare.gov/health-drug-plans/medigap/basics/how-medigap-works#:~:text=When%20you%27re%20getting%20started,switching%20back%20to%20Original%20Medicare.>

RELEVANT AMA POLICY

Medicare Advantage Policies H-330.878

1. Our AMA supports that Medicare Advantage plans must provide enrollees with coverage for, at a minimum, all Part A and Part B original Medicare services, if the enrollee is entitled to benefits under both parts.
2. Our AMA will advocate: (a) for better enforcement of Medicare Advantage regulations to hold the Centers for Medicare & Medicaid Services (CMS) accountable for presenting transparency of minimum standards and to determine if those standards are being met for physicians and their patients; (b) that Medicare Advantage plans be required to post all components of Medicare covered and not covered in all plans across the US on their website along with the additional benefits provided; and (c) that CMS maintain a publicly available database of physicians in network under Medicare Advantage and the status of each of these physicians in regard to accepting new patients in a manner least burdensome to physicians.

Deemed Participation and Misleading Marketing by Medicare Advantage Private Fee for Service Plans D-330.930

Our AMA will continue its efforts to educate physicians and the general public on the implications of participating in programs offered under Medicare Advantage and educate physicians and the public about the lack of secondary coverage (Medigap policies) with Medicare Advantage plans and how this may affect enrollees.

Transparency of Costs to Patients for Their Prescription Medications Under Medicare Part D and Medicare Advantage Plans H-330.870

Our AMA will: (1) advocate for provision of transparent print and audio/video patient educational resources to patients and families in multiple languages from health care systems and from Medicare - directly accessible - by consumers and families, explaining clearly the different benefits, as well as the varied, programmatic and other out-of-pocket costs for their medications under Medicare, Medicare Supplemental and Medicare Advantage plans; (2) advocate for printed and audio/video patient educational resources regarding personal costs, changes in benefits and provider panels that may be incurred when switching (voluntarily or otherwise) between Medicare, Medical Supplemental and Medicare Advantage or other plans, including additional information regarding federal and state health insurance assistance programs that patients and consumers could access directly; and (3) advocate for increased funding for federal and state health insurance assistance programs and educate physicians, hospitals, and patients about the availability of and access to such programs.

Medicare Cost-Sharing D-330.951

Our AMA will urge the Centers for Medicare and Medicaid Services to require companies that participate in the Medicare Advantage program to provide enrollees and potential enrollees timely information in a comparable, standardized, and clearly-written format that details enrollment restrictions, as well as all coverage restrictions and beneficiary cost-sharing requirements for all services.