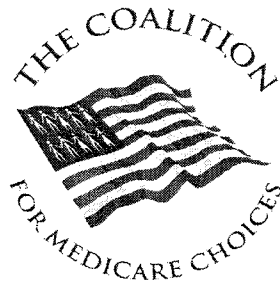


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New State-by-State Data on Impact of CMS' Proposed Cut to Medicare Advantage

For Immediate Release
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Less Than Two Weeks before Proposed Medicare Advantage Cut is Finalized

Washington, DC – Seniors all across the country will experience higher premiums and reduced health care benefits if a new cut to the Medicare Advantage program takes effect next year as was recently proposed by the Centers for Medicare & Medicaid Services (CMS), the agency that oversees the Medicare program. A recent analysis by Oliver Wyman found that the new proposed cut combined with the billions of dollars in Medicare Advantage cuts and the new health insurance tax included in the health care reform law will result in seniors in Medicare Advantage facing \$50-90 per month in higher premiums and/or benefit reductions. New Oliver Wyman data released today by America's Health Insurance Plans' (AHIP) Coalition for Medicare Choices (CMC) provide a breakdown of how much seniors will be impacted in specific states.

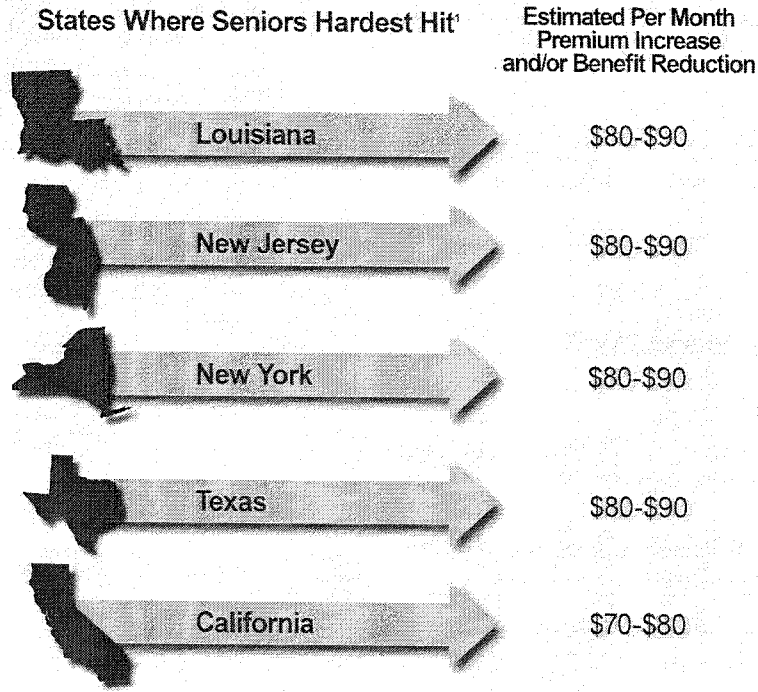
Below is an infographic that highlights the states where seniors will be most impacted by benefit cuts and premium increases. State-specific infographics are also available on our website [here](#).

Medicare Advantage Cuts

Higher Premiums and Reduced Benefits for Seniors



The Medicare agency recently proposed a new 2.2 percent cut in Medicare Advantage payments for 2014 that compounds the impact of the reform law's \$200 billion in cuts and new health insurance tax that are just starting to go into effect. An analysis by Oliver Wyman estimates that the cumulative impact of these cuts will result in benefit reductions and premium increases for Medicare Advantage beneficiaries across the country.

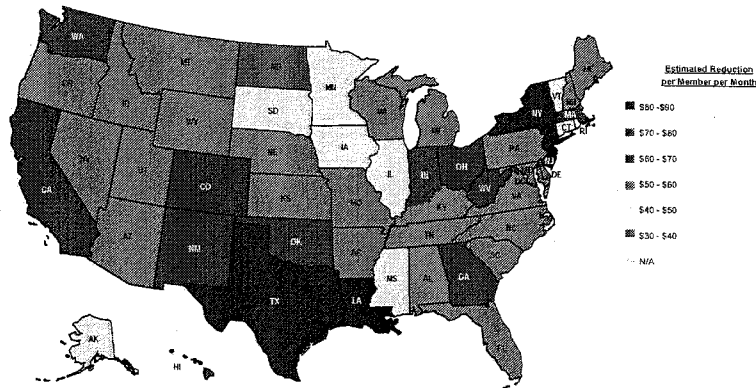


¹ Estimated Impact of Proposed Reductions to 2014 Medicare Advantage Methodology - Maps and Charts, Oliver Wyman, March 2013

(click thumbnail to view larger image)

The following map shows how the proposed Medicare Advantage cut will impact seniors across the country.

Estimated State-by-State Impact of 2014 Proposed Reductions to Medicare Advantage*
(March 2013)



* Estimates reflect combined impact of the proposed growth rate in the Advance Notice, ACA phase-in, change in star ratings on benchmarks and rebates, change in coding intensity adjustment of 1.5%, and 2% insurer fee. Calculation of ACA phase-in component includes IIME reductions in high IIME counties pursuant to previous law. Does not include impact of proposed changes to the MA risk adjustment model or rebasing of county fee-for-service amounts.

©America's Health Insurance Plans, 2013

(click thumbnail to view larger image)

The following chart provides a breakdown of the percent of Medicare Advantage beneficiaries that are likely to face different ranges of impact:

Medicare Advantage Cuts

Who Will Feel the Impact?



Estimated Impact of Cuts on the 14 Million Seniors Enrolled in Medicare Advantage¹

Estimated Reduction = Premium Increase and/or Benefit Reduction

Estimated Reduction	Percentage of MA Enrollment
\$90 or more	7%
\$75-\$90	16%
\$60-\$75	40%
\$45-\$60	23%
\$30-\$45	14%
\$15-\$30	1%
\$15 or less	0%

¹ Estimated Impact of Proposed Reductions to 2014 Medicare Advantage Methodology - Maps and Charts, Oliver Wyman, March 2013
Note: Due to rounding percentages total more than 100%

(click thumbnail to view larger image)

The new data follow recent ads released by the CMC opposing the Medicare Advantage cuts. One ad launched this week, called "Drastic," features Medicare Advantage beneficiaries sharing their concerns about what deep new cuts to Medicare Advantage would mean to them. A previous ad, called "Too Much," highlights the cumulative impact the Medicare Advantage cuts would have on seniors and urges Congress to help fight these cuts. These ads can be viewed at www.MedicareChoices.org.

Members of Congress Speak Out Against New Proposed Cut to Medicare Advantage

In the past week, more than 120 members of Congress have shared with CMS their concerns about the impact the new cut will have on seniors.

Twenty-two (22) Senators sent a bipartisan letter to CMS this week raising concerns about the proposed payment cut, saying "we are concerned that the proposals could result in reduced access for our constituents who are enrolled in Medicare Advantage. Plans have informed us that they may exit certain markets as a result of CMS' proposal."

These letters have focused on, among other things, the fact that in setting Medicare Advantage payment rates CMS is assuming a cut in physician payment rates that everyone in Washington knows will never happen.

"CMS continues the illogical policy of assuming the scheduled 25 percent reduction in the Medicare physician fee schedule (SGR) will be implemented on January 1, 2014," said a bipartisan letter signed by 98 members of the U.S. House of Representatives. "The assumption on the SGR is particularly problematic because it almost certainly will turn out to be wrong and it directly translates into lower funding to support the health benefits of the 14 million Medicare beneficiaries who currently are enrolled in MA plans."

In comments submitted to the agency, AHIP offered a series of recommendations to stabilize the program and avoid significant disruption for seniors enrolled in Medicare Advantage. The 2014 Medicare Advantage payment rates will be finalized on April 1.

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