United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

H.R. 4093, *Apples to Apples Comparison Act*

Rep. Bean (R-FL)

Background:

- Over **35 million seniors and individuals with disabilities**—representing more than **55% of all eligible Medicare beneficiaries**—are currently enrolled in Medicare Advantage (MA) at an annual cost of **$494 billion**.
    - This high enrollment growth is in part due to MA plans offering a **$9,350 out-of-pocket maximum** and including supplemental benefits such as **prescription drug coverage, hearing, dental, and vision benefits, and $0 premiums**.
- Because MA plan designs are **materially different** from Traditional Medicare (TM), it is difficult to analyze the true **benefit and cost tradeoff** between the programs. For example:
    - MA enrollees are required to enroll in both Medicare Parts A and B, whereas if the same were true for TM, its patient costs would be **9.8% higher**.
    - Prominent analysis of MA spending includes **contested "favorable selection" bias** – an assumption that disproportionately healthier beneficiaries enroll in MA. However, this questionable analysis is a snapshot derived from a small sample of beneficiaries over one year.
- Relying on incomplete and unstandardized data **distorts Medicare payment policy**, misleading congressional oversight and putting coverage stability and extra benefits at risk for **over 35 million enrolled seniors.**
- When considering Medicare policy changes, **Congress must be informed by accurate comparisons of how the programs operate** to ensure any reforms will result in seniors receiving **improved care and not unjustified cuts in benefits.**

H.R. 4093, *Apples to Apples Comparison Act*:

- Requires CMS to publish detailed **risk scores and clinical utilization data** between MA and TM enrollees in downloadable, machine-readable formats for each calendar year, **allowing a true and accurate comparison of the two programs**.
- Directs MedPAC to conduct a tri-annual retrospective analysis comparing average federal expenditures for **MA enrollees against comparable individuals enrolled in traditional FFS**, fully adjusting for benefit design, demographics, and patient risk scores.
- This will ensure policymakers are **properly informed** when engaging in necessary Medicare oversight and reform.