

**THE AMERICAN MEDICAL ASSOCIATION
IS SETTING THE RECORD STRAIGHT ON THE
MEDICARE ADVANTAGE PROVISIONS IN H.R. 6331**

Myth: H.R. 6331 would restrict access to Medicare Advantage Plans.

Fact: The “deeming” reforms included in H.R. 6331 apply only to fee-for-service Medicare Advantage plans in states where other plans have already established physician networks. Currently, physicians in such states are automatically deemed to be part of a network and are bound by a plan’s terms and conditions whenever they care for a private fee-for-service patient—even those physicians who have never seen or signed a contract informing them of the plan’s requirements. H.R. 6331 would not put these private fee-for-service plans out of business. Rather, the bill would give these plans two years to establish bona fide physician networks and, importantly, put them on an even playing field with other Medicare Advantage plans—including HMO, PPO, and network-based MSA plans—that have already gone through the network development and contracting processes. Those rural areas where physician networks are difficult to establish and beneficiaries are served by only one Medicare Advantage plan would not be affected by H.R. 6331.

Myth: H.R. 6331 would restrict competition.

Fact: By leveling the playing field between fee-for-service and other types of Medicare Advantage plans, and by making all plans adhere to the same contracting and network development requirements, H.R. 6331 actually enhances competition. The bill eliminates the unfair marketing advantage currently enjoyed by fee-for-service plans in states where other Medicare Advantage products exist.

Myth: The deeming provisions in H.R. 6331 would cut payments to Medicare Advantage plans.

Fact: The program savings achieved by the deeming provisions would not result from payment cuts. Rather, by applying a consistent set of networking and contracting rules across all plans, the current rapid rate of enrollment growth in private fee-for-service plans will be reduced in non-rural areas where other Medicare Advantage plan choices are available.

Myth: H.R. 6331 would cut payments to teaching hospitals.

Fact: The calculations used to establish the base payment rates for Medicare Advantage plans include the costs of indirect medical education payments, even though Medicare continues to make separate payments for these costs directly to teaching hospitals. In effect, Medicare is paying for graduate medical education costs twice. There is no evidence, however, that teaching hospitals are receiving these double payments. For that reason, the Medicare Payment Advisory Commission and others recommend that these duplicate payments be eliminated from the Medicare Advantage base payment rates, and all the Medicare proposals that have been offered this year to stop the Medicare physician payment cuts have included this provision as a funding offset.

Medicare payment for physician services will be slashed by 10.6% on July 1.

**Physicians and Medicare patients are counting on Senators
to do the right thing.**

Support H.R. 6331.