



Shopping for health care is complicated, and often frustrating, with the average senior having 44 MA plans to choose from.<sup>1</sup> Consumers deserve unbiased, actionable, easy-to-navigate information to make smart choices about their coverage and care. Seniors are continually inundated with television commercials, mail solicitations and unwelcome phone calls. In a recent investigation, the Senate Finance Committee found substantial evidence of misleading marketing, led by nefarious practices of third-party marketing organizations and “lead generation” firms.<sup>2</sup> That’s wrong. Seniors have the right to select the best health coverage for their individual circumstances without high-pressure sales tactics, inaccurate information or misleading claims.

MA for Tomorrow builds on efforts to rein in misleading marketing, mitigates perverse financial incentives for brokers to steer consumers to plans paying the highest commissions, and incentivizes enrollment in high-quality and value-based plans.

**Under MA for Tomorrow, seniors will be better equipped to find coverage and care that fits their needs by:**

## 1. Reining in Misleading Marketing

From 2014 to 2023, private plan enrollment grew by **16 million enrollees** – that’s **107 percent growth!**



Seniors have been victims of unacceptable marketing practices, providing confusing, misleading and incorrect information. In the 2024 MA and Part D rule, CMS took important action to establish new guardrails on marketing and advertising practices.<sup>3</sup> Further action is needed to directly regulate third-party marketing organizations and lead generation firms to ensure robust oversight of the new rules.

**MA for Tomorrow establishes a cap on health plan payments to marketing organizations, provides a fast-track review process for 5-star MA plans and strengthens oversight/penalties for misleading and inaccurate marketing.**

CMS has taken important first steps but can go further in regulating misleading marketing.

The average senior has **44 MA plans** to choose from.



## 2. Standardizing Broker Payment

For many seniors, brokers offer important assistance in understanding the health plan options available and navigating to the plan best for their individual needs. CMS regulation establishes maximum enrollment commissions to brokers but does not set limitations on additional administrative fees for services such as marketing, compliance, IT or health risk assessments.<sup>4</sup>

Brokers can collect upwards of \$1,300 per enrollee each year – more than double the maximum commission set by CMS – creating a misaligned incentive to steer seniors and drive-up administrative costs.

Broker compensation can be more than **\$1,300** per enrollee, more than double the maximum commission.



**MA for Tomorrow restructures broker compensation to foster fair competition and high performance.**

The reforms standardize and limit override and administrative broker fees and requires plans to report total broker compensation amounts. CMS has the authority to build on compensation standards to protect the integrity of the Medicare dollar by limiting total broker payment and preventing steering based on health plan compensation.

## 3. Incentivizing Enrollment in High-Quality and Value-Based Health Plans

MA brokers are incentivized to steer consumers towards plans that offer the highest payment rather than the plan best suited for their needs. There are no financial inducements for brokers to enroll consumers in high-quality or value-based plans.

**MA for Tomorrow advances better health outcomes by offering incentives to brokers to enroll consumers in high-quality and value-based plans.**

CMS has the authority to establish broker reimbursement amounts and should allow for a bonus payment to brokers who enroll consumers in a high-quality plan (star rating of 4 or higher). Not only would this result in more seniors being served by the highest-performing plans but it would further encourage plans to prioritize patient experience and health outcomes as the crucial performance metric.

1. Chartis 2023 Medicare Advantage Competitive Enrollment Report.

2. Senate Finance Committee. 2022. Deceptive Marketing Practices Flourish in Medicare Advantage

3. CMS. 2023. 2024 Medicare Advantage and Part D Final Rule (CMS-4201-F)

4. 42 CFR 422.2274 - Agent, broker, and other third-party requirements.



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