Congress created Medicare Advantage (MA) in 2003 to provide America’s seniors a convenient, coordinated option for their health coverage and to drive greater value and accountability in the Medicare program. Today, the evidence is clear: MA is working, providing exceptional coverage and care for nearly 23 million seniors. The program provides all the benefits of traditional Medicare, plus enhanced benefits, high-value coverage, better health outcomes, greater transparency and superior customer experience – all at a lower price.

### Savings for Seniors

**MA is a higher value choice for seniors on a fixed income.**

56% of seniors pay no premium for MA and the program caps out-of-pocket expenses, giving seniors predictability and REAL control over costs.

<table>
<thead>
<tr>
<th>$2,161 per year</th>
</tr>
</thead>
</table>

Seniors enrolled in traditional Medicare supplemental insurance pay an average of $2,161 a year.1,2

### Savings for Taxpayers

**MA costs U.S. taxpayers 12% less per enrollee than traditional Medicare** – while offering additional benefits and services.3

Each year, traditional Medicare estimates how much it will spend per enrollee. In 2019, 76% of MA plans will deliver all traditional Medicare services at a lower cost. And 83% of MA seniors are enrolled in more efficient, high quality plans than traditional Medicare.4

In 2018, traditional Medicare wasted more than $31.6 billion on improper payments – a rate of 8.1%. Comparatively, MA’s net improper payment rate of 1.4% amounted to $2.6 billion.5,6

### Reducing Costs in the Health Care System

**MA incentivizes health plans, providers and health systems to closely coordinate care to improve health outcomes and reduce costs.** In areas where MA is prevalent, doctors employ those innovations learned with MA when caring for patients in traditional Medicare – creating efficiencies and providing higher quality care.

MA plans help reduce hospital utilization, saving the taxpayer money – and the taxpayer saves more money when MA penetration in a county increases.7

For example, when one out of three seniors in a county are covered by MA, overall costs in traditional Medicare are 6% lower.7

And when MA covers 15% of seniors in a county, spending on traditional Medicare hospital services grows 44% slower.8

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ACHP members are among the highest quality MA health plans in the nation. They are continually innovating to deliver affordable coverage and care to communities nationwide.

Security Health Plan of Wisconsin has teamed up with its provider partner health system to offer MA seniors highly discounted hearing aids. This benefit, available in MA but not traditional Medicare, provides hearing aids for a co-pay of $250 each, significantly cheaper than the average $9,000/hearing aid cost outside this program.

Martin’s Point Health Care of Maine serves Medicare Advantage seniors with heart failure, diabetes and other complex conditions in their homes with the help of community care nurses. Through the Comprehensive Care Program, Martin’s Point has reduced hospitalizations and ER utilization and addressed social factors by diagnosing and treating depression, loneliness, food insecurity, and other needs earlier, across all points of care.

UPMC Health Plan is helping MA members achieve long term diabetes management by dramatically reducing copays on 20 covered diabetes medications — for example, a one-year supply of insulin for $84 — and offering no copay for certain preferred generic diabetes drugs. In addition, seniors can access personal coaches to help stay on track with prescribed medications and understand the lifestyle changes to better control their diabetes.

### Common Procedures: Out of Pocket Costs, Traditional Medicare and MA

#### Case Study 1 - San Francisco, California

<table>
<thead>
<tr>
<th>Medical Procedure</th>
<th>Traditional Medicare</th>
<th>MA: Kaiser Permanente (4.5 Star plan)</th>
<th>Beneficiary Out of Pocket Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee replacement</td>
<td>$1,674</td>
<td>$250</td>
<td>$1,424 (85%)</td>
</tr>
<tr>
<td>Hip replacement</td>
<td>$1,674</td>
<td>$250</td>
<td>$1,424 (85%)</td>
</tr>
<tr>
<td>Cataract surgery</td>
<td>$424</td>
<td>$0</td>
<td>$424 (100%)</td>
</tr>
</tbody>
</table>

#### Case Study 2 - Miami-Dade, Florida

<table>
<thead>
<tr>
<th>Medical Procedure</th>
<th>Traditional Medicare</th>
<th>MA: AvMed (4 Star plan)</th>
<th>Beneficiary Out of Pocket Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee replacement</td>
<td>$1,694</td>
<td>$78</td>
<td>$1,616 (95%)</td>
</tr>
<tr>
<td>Hip replacement</td>
<td>$1,694</td>
<td>$84</td>
<td>$1,610 (95%)</td>
</tr>
<tr>
<td>Cataract surgery</td>
<td>$327</td>
<td>$108</td>
<td>$219 (67%)</td>
</tr>
</tbody>
</table>

Kaiser Permanente Senior Advantage Alameda, SF, Napa (HMO)
$94/month premium, includes drugs, vision, hearing, dental
AvMed Medicare Choice (HMO) (H1016-001-0)
Zero premium, includes drugs, vision, dental (not hearing)