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Trump Administration Gives Big Increase To Big Insurers In Medicare Advantage Families Pay More

New Rules Strip Away Key Patient Protections, But Consumer Advocates Also Praise Anti-Upcoding Final Payment Notice

WASHINGTON, D.C. – New rates and rules for Medicare Advantage got mostly panned by health advocates this week, as insurers got big increases on the backs of taxpayers.

Most notably among the new rules released by the Centers for Medicare & Medicaid Services (CMS), the final rate notice for Medicare Advantage plans includes a payment increase of 2.48%, significantly higher than the 0.09% increase originally proposed by the Trump administration. Since 2007, Medicare Advantage overpayments have **drained nearly \$600 billion from the Medicare program**. In 2025 alone, CMS will spend \$84 billion more to cover people in MA than if they were in traditional Medicare — an average overpayment per enrollee.

As the longtime health care consumer advocate, Families USA has advocated for reforms to rein in unchecked corporate profiteering within the Medicare Advantage program that has resulted in wasteful spending and is undermining Medicare's promise to seniors and taxpayers alike. Now, with the final rate notice for Medicare Advantage plans and the final rule for Medicare Part C and D, CMS is finalizing a proposal long advocated for by Families USA to help rein in "upcoding" and start to pay a proper amount of excess payments to plans.

"The big insurers in Medicare Advantage just got a big giveaway from the Trump Administration. They could have gone to bolstering benefits in Medicare for all seniors and people with disabilities. From Trump, Dr. Oz and leaders in Congress have talked a big game for two years about reining in waste and abuse, but instead they increased insurer payment by multiple times more than what the

originally proposed. To add insult to injury, a final rule released on Friday stripped away key protections that will lead to higher costs and worse care for seniors and older Americans,” **said Wright, executive director of Families USA.**

“Amid our disappointment in the additional overpayments to Medicare Advantage plans, we applaud the positive policy in place to crack down on insurers’ ability to fabricate diagnoses so that patients get sicker and they get paid more. Preventing upcoding is a win for patients and taxpayers. We hope with Congress and this administration on reforms like this to rein in the actual waste, fraud and abuse prevalent in the Medicare Advantage program.”



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