

119TH CONGRESS  
1ST SESSION

# H. R. 3467

To amend title XVIII to reform the Medicare Advantage program.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2025

Mr. SCHWEIKERT introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII to reform the Medicare Advantage program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. REFORMING MEDICARE ADVANTAGE.**

4       (a) REQUIREMENT TO USE CAPITATED PAY-  
5       MENTS.—Section 1852 of the Social Security Act (42  
6       U.S.C. 1395w–22) is amended by adding at the end the  
7       following new subsection:

8       “(o) REQUIREMENT TO USE CAPITATED PAY-  
9       MENTS.—

1           “(1) IN GENERAL.—Subject to paragraph (2)  
2           and section 1853(p), for plan years beginning on or  
3           after January 1, 2028, a Medicare Advantage plan  
4           may only pay for benefits furnished under such plan  
5           on a capitated basis.

6           “(2) EXCEPTIONS.—Paragraph (1) shall not  
7           apply in the case of the following MA plans for a  
8           plan year:

9                   “(A) An MA plan that was made available  
10                  in such area during the preceding plan year, ex-  
11                  cept that the only individuals eligible to enroll  
12                  in such plan shall be individuals who were en-  
13                  rolled in such plan during such preceding plan  
14                  year.

15                  “(B) A specialized MA plan for special  
16                  needs individuals.”.

17           (b) PAYMENT MODIFICATIONS.—

18                   (1) REDUCING BLENDED BENCHMARK.—Sec-  
19                  tion 1853(j)(1)(A) of the Social Security Act (42  
20                  U.S.C. 1395w-23(j)(1)(A)) is amended by inserting  
21                  “(or, beginning with 2028, 75 percent of  $\frac{1}{12}$  of such  
22                  blended benchmark amount)” after “for the area for  
23                  the year)”.

24                   (2) RISK ADJUSTMENT MODIFICATIONS.—Sec-  
25                  tion 1853(a)(3) of the Social Security Act (42

1 U.S.C. 1395w–23(a)(3)) is amended by adding at  
2 the end the following new subparagraph:

3 “(E) RISK ADJUSTMENT REQUIREMENTS  
4 FOR HEALTH STATUS.—Beginning January 1,  
5 2028, risk adjustment for health status shall be  
6 determined—

7 “(i) using only diagnoses documented  
8 on claims from face-to-face or telehealth  
9 visits;

10 “(ii) without using any diagnoses ob-  
11 tained for chart reviews or stand-alone  
12 health risk assessments; and

13 “(iii) using diagnoses from a 2-year  
14 period preceding the year for which such  
15 adjustment is made.”.

16 (3) ELIMINATING QUALITY BENCHMARK IN-  
17 CREASES.—Section 1853(o) of the Social Security  
18 Act (42 U.S.C. 1395w–23(o)) is amended by adding  
19 at the end the following new paragraph:

20 “(8) NONAPPLICATION OF INCREASE TO QUALI-  
21 FIED MA PLANS.—No increase to the applicable per-  
22 centage under subsection (n)(2)(B) shall be made  
23 under this subsection for a plan for plan years be-  
24 ginning on or after January 1, 2028.”.

1           (4) STOP-LOSS PAYMENTS.—Section 1853 of  
2     the Social Security Act (42 U.S.C. 1395w–23) is  
3     amended by adding at the end the following new  
4     subsection:

5     “(p) STOP-LOSS PAYMENTS.—

6           “(1) IN GENERAL.—For years beginning on or  
7     after January 1, 2028, the Secretary may establish  
8     stop-loss payment for Medicare Advantage plans  
9     that experience significantly higher expenditures  
10    compared to the risk-adjusted expected expenditures  
11    of such plans.

12          “(2) REQUIREMENTS.—Any payment described  
13    in paragraph (1) shall be based on encounter data  
14    subject to audit by the Secretary.

15          “(3) ADJUSTMENTS.—The Secretary may make  
16    such payment adjustments under this part as the  
17    Secretary determines necessary to ensure that this  
18    paragraph is implemented in a budget-neutral man-  
19    ner.”.

20     (c) AUTOMATIC ENROLLMENT; PLAN CHANGE LIM-  
21    TATIONS.—Part C of title XVIII of the Social Security  
22    Act (42 U.S.C. 1395w–21 et seq.) is amended by adding  
23    at the end the following new section:

1 **“SEC. 1859A. AUTOMATIC ENROLLMENT; PLAN CHANGE**  
2 **LIMITATIONS.**

3 “(a) AUTOMATIC ENROLLMENT.—

4 “(1) IN GENERAL.—Notwithstanding any other  
5 provision of this title, for plan years beginning on or  
6 after January 1, 2028, the Secretary shall provide  
7 for the automatic enrollment of each individual enti-  
8 tled to benefits under part A and enrolled under  
9 part B into the MA plan with the lowest premium  
10 available to such individual.

11 “(2) SPECIAL RULE IF MULTIPLE LOW-COST  
12 PLANS AVAILABLE.—In the case that multiple MA  
13 plans are available at the lowest premium applicable  
14 under this part for a plan year for an individual, the  
15 Secretary shall provide for the automatic enrollment  
16 of individuals described in paragraph (1) among  
17 such plans in a manner determined appropriate by  
18 the Secretary.

19 “(3) OPT OUT.—The Secretary shall provide  
20 each individual automatically enrolled into a quali-  
21 fied MA plan under this subsection with an oppor-  
22 tunity to decline such enrollment.

23 “(b) MANDATORY CONTINUOUS ENROLLMENT.—

24 “(1) IN GENERAL.—Notwithstanding any other  
25 provision of this title, except as provided in para-  
26 graph (2), in the case of an individual who enrolls

1 in an MA plan for a plan year beginning on or after  
 2 January 1, 2028, such individual may not, for the  
 3 3-year period beginning on the date such individual  
 4 so enrolls in such MA plan—

5 “(A) enroll in any other MA plan under  
 6 this part; or

7 “(B) elect to receive benefits under this  
 8 title through traditional fee-for-service Medicare  
 9 under part A or B.

10 “(2) EXCEPTIONS.—Paragraph (1) shall not  
 11 apply in the case of an individual who experiences a  
 12 hardship event (such as a serious illness (as speci-  
 13 fied by the Secretary)).”.

14 (d) REQUIRED INCLUSION OF HOSPICE CARE.—Sec-  
 15 tion 1852 of the Social Security Act (42 U.S.C. 1395w-  
 16 22) is amended—

17 (1) in subsection (a)(1)(B)(i), by inserting “(ex-  
 18 cept in the case of an MA plan offered in a plan  
 19 year beginning on or after January 1, 2028)” after  
 20 “hospice care”; and

21 (2) in subsection (m)(6), by inserting “(except  
 22 in the case of an MA plan offered in a plan year be-  
 23 ginning on or after January 1, 2028)” after “hos-  
 24 pice care”.

1       (e) STARK EXCEPTION.—Section 1877(b) of the So-  
2       cial Security Act (42 U.S.C. 1395nn(b)) is amended by  
3       adding at the end the following new paragraph:

4               “(6) EXCEPTION FOR CERTAIN SERVICES FUR-  
5       NISHED UNDER MA PLANS.—In the case of des-  
6       ignated health services consisting of durable medical  
7       equipment or covered part D drugs, if such services  
8       are furnished under an MA plan.”.

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