

Insurers: JEC's Claim MA Overpayments Hike Premiums Uses Skewed MedPAC Data

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Key insurance lobbies are hitting back on a bipartisan Joint Economic Committee analysis first reported by the *Wall Street Journal* finding that overpayments to Medicare Advantage plans translate to higher premiums for all Medicare beneficiaries, and says aligning MA with fee for service would prevent premium growth and increase seniors' take-home Social Security benefits. AHIP and the Better Medicare Alliance argue the report is built off flawed assumptions by Congress' Medicare payment advisors that should not be relied on for critical policy decisions.

According to JEC, Part B premiums were about \$212 per enrollee or \$13.4 billion more in 2025 because of MA overpayments. This is based on the Medicare Payment Advisory Commission's (MedPAC) estimates of \$84 billion in overpayments for that year, which the panel published last March. JEC says it is aware that MedPAC adjusted its methodology and now says that MA overpayments were about \$76 billion in 2025, which translates to about \$192 more per enrollee and about \$12.2 billion more in premiums --but that data was not formally published prior to release of the JEC report, so it was not used.

Part B premiums are also expected to double from \$2,440 to \$5,000 by 2035, with about \$450 of that due to MA overpayments, presuming no policy changes, JEC says.

The excessive premiums are not isolated to MA enrollees, JEC says. Using the March 2025 MedPAC estimates, JEC finds that seniors and taxpayers paid about \$82 billion in excessive premiums, including \$6 billion from FFS enrollees who don't have access to the reduced out-of-pocket costs, dental/vision coverage and other benefits offered by most MA plans.

Because most seniors have their Part B premiums deducted from their Social Security payments, MA overpayments directly impact take-home benefits. "Aligning MA

payments with TM would prevent unnecessary premium growth, increase the affordability of Medicare, and protect net Social Security checks,” JEC says.

“Let’s be honest about the math. When Medicare Advantage is overpaid, that money doesn’t just disappear, it shows up in the Medicare Part B premiums seniors pay every month, including those paid by traditional Medicare beneficiaries who are not getting extra benefits,” said JEC Chair David Schweikert (R-AZ). “If Congress is serious about affordability, fiscal responsibility, and fairness, we must take a hard look at Medicare Advantage and make sure the rules are the same for everyone.”

“Today, between aggressive upcoding, questionable quality bonuses, and structural overpayments in Medicare Advantage, seniors who stay in traditional Medicare are effectively subsidizing the system. That’s not sustainable, it’s not fair, and it can be reformed,” Schweikert added.

JEC also highlighted a Medicare Affordability Tracker that features state and district-level estimates on the impact of the “excess Part B premium burden.”

Key insurance lobbies argue the analysis is flawed due to the underlying data -- and were also upset with *WSJ*’s coverage.

“Numerous experts continue to warn that making policy based on MedPAC’s fundamentally flawed data, methodology and extrapolations could harm 35 million Medicare beneficiaries who choose MA for more affordable, high-quality health care coverage and who will renew their coverage in October of 2026,” AHIP spokesperson Chris Bond argued.

AHIP points to recent studies, including one by the Healthcare Leadership Council, which concluded Congress should reject MedPAC findings that HLC alleges are built off flawed assumptions.

HLC President and CEO Maria Ghazal called the JEC report “the latest example of a recurring reliance on MedPAC’s false narrative regarding MA’s payment rate compared to traditional Medicare.”

“As HLC outlined in a report last year, MedPAC’s misguided assumptions and sudden change in methodology resulted in a perceived cost surge when none existed,” she alleged.

“Seniors can’t afford the consequences of having benefits cut and access reduced due to Members of Congress basing decisions on distorted data. It is time to set the record straight.”

MA stakeholders are also pushing the Apples-to-Apples Act, which would require CMS publish detailed enrollment and expenditure data and other changes they say would improve MedPAC’s comparisons between MA and traditional FFS.

The Better Medicare Alliance slammed the *WSJ* coverage for repeating “long debated” claims about MA that rely on MedPAC analyses that are under dispute. “Claims that Medicare Advantage ‘overpayments’ significantly increase seniors’ Part B premiums stem directly from those disputed assumptions. When more current data and updated risk-adjustment models are used, the magnitude of those claims falls dramatically,” BMA President & CEO Mary Beth Donahue said. “Policy discussions about Medicare should be grounded in accurate, up-to-date data and should focus on strengthening the coverage more than 35 million seniors depend on -- not repeating outdated claims that undermine confidence in and stability of a program that continues to deliver for America’s seniors.” -- *Amy Lotven*