

# Modest payment increase for Medicare Advantage in 2017

April 4 2016

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Medicare says private insurance plans serving as an alternative for 17 million beneficiaries will get a modest payment increase next year.

Factoring in adjustments for the health of patients covered by a plan, the final number works out to about a 3 percent increase for Medicare Advantage and Part D prescription plans. That's slightly less than an originally proposed increase of around 3.5 percent.

Medicare made the announcement Monday after the close of [financial markets](#).

Medicare also announced a transition period for some employer-sponsored plans that were facing a cut. It will be spread over two years.

Medicare Advantage plans cover nearly one out of three beneficiaries, a steadily growing share of the program. They offer lower overall costs for many patients, in exchange for some limitations on choice.

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Citation: Modest payment increase for Medicare Advantage in 2017 (2016, April 4) retrieved 15 May 2024 from <https://medicalxpress.com/news/2016-04-modest-payment-medicare-advantage.html>

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