The Fix It Act

If approved by Congress, the *Fix It Act* will preserve access to affordable health care for tens of millions of Americans, by extending the Affordable Care Act Premium Tax Credits for two years while reducing the fiscal burden on our taxpayers. A two-year extension would have an aggregate cost of $55.3 billion, according to the Bipartisan Policy Center. Here's how we'll pay for it:

1. **Identify Savings By Narrowing the Focus to the Working & Middle Class**

By capping eligibility at six times the poverty level, or $192,900 for a family of four, this measure will save approximately $5 billion over two years.

2. **Crack Down on Upcoding in Medicare Advantage**

The Act would achieve its greatest savings by cracking down on excessive Medicare Advantage payouts to insurers. Medicare Advantage serves more than half of the Medicare beneficiaries in the U.S., paying private health insurers for each beneficiary they enroll. The reimbursements are based on the health of the patient, creating perverse incentives for insurers to secure higher reimbursements by associating inflated risk scores to relatively healthy patients. By "upcoding" patients--i.e., inflating diagnoses, or perpetuating diagnoses of long-resolved maladies---insurance companies can reap large windfalls. Those overpayments from CMS to Medicare Advantage cost taxpayers $50 billion in 2024. By adopting the language of the *No UPCODE Act*, authored by Senate HELP Committee Chair Bill Cassidy and Democrat Jeff Merkeley, this bill would require CMS to use two years of diagnostic data to calculate risk scores, and exclude older diagnoses from health risk assessments. According to the CBO, the *No UPCODE Act*--supported by the American Association of Retired Persons (AARP)-- would save approximately $15 to 20 billion each year after the initial ramp-up, or $124 billion over ten years.

3. **Stop Fraud by Insurance Brokers in the Program**

In recent years, we've seen numerous reports of unscrupulous brokers generating commissions by fraudulently signing up ineligible ACA applicants. Between January 2024 and August 2024, CMS received 183,553 complaints of unauthorized enrollments, and 90,863 complaints of unauthorized switching of plans sold on the FFM. The *Insurance Fraud Accountability Act*, introduced by Congresswomen Deborah Ross and Kathy Castor (and Ron Wyden in the Senate), would impose new civil and criminal penalties for agents and brokers who submit false ACA applications. It also would create a consent verification process for new enrollments and coverage changes, and require plan marketers to register with the state, and bolster consumer protections. The Fix It Act adopts the entirety of the IFAA, producing additional billions--though as-yet unquantified--savings.