

Congress of the United States
Washington, DC 20515

March 18, 2016

Sylvia Mathews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Burwell:

We are writing on behalf of the 17 million Americans who have health care coverage through Medicare Advantage (MA) plans. These plans provide significant value to seniors and disabled beneficiaries by way of enhanced benefits and better management of chronic conditions compared to traditional Medicare. We are concerned with policy changes included in CMS's 2017 Medicare Advantage and Part D Advance Notice and Draft Call Letter, specifically a new risk adjustment model and cuts to MA Retiree Coverage, known as Employer Group Waiver Plans (EGWPs). These proposals could jeopardize MA benefits, particularly for the most vulnerable and chronically ill as well as retirees.

The Agency recognized that the proposed new risk adjustment model will result in a net funding reduction of 0.6 percent to the MA program. While we agree with the Agency's stated goal that a risk adjustment model should "improve the overall accuracy of the risk adjustment model for complex vulnerable populations, including full benefit dual aged and full benefit dual disabled beneficiaries," we are concerned that CMS's proposal underestimates the potential detrimental affect these resulting payment reductions will have on beneficiaries with chronic illnesses who may not be dually eligible for Medicare and Medicaid. The Agency should not narrowly view "complex vulnerable populations" as dual eligible beneficiaries.

We are also concerned that CMS used fee-for-service data, rather than MA data, for some variables to calculate the effect of its risk adjustment proposal. Independent analyses of the model suggest that the proposal could result in more significant cuts than the Agency estimates. Additionally, the proposed risk adjustment model as proposed adds complexity to the program because CMS and plans will need to reconcile a beneficiary's status on a monthly basis with state Medicaid agencies.

The proposed change to MA Retiree Coverage was scored last year as a \$7.2 billion cut to the program over 10 years. Protecting MA Retiree Coverage is critical for 200,569 seniors in Pennsylvania, including state and local government, labor union, and private employer retirees. Among the Medicare Advantage beneficiaries in our state, approximately 20% have MA Retiree Coverage.

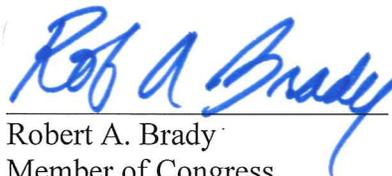
MA Retiree Coverage provides value to seniors through care coordination, management of chronic conditions, comprehensive drug benefits, and broad networks to ensure that retirees have access to health care providers. The Medicare Payment Advisory Commission (MedPAC) acknowledged that this proposed change could result in MA Retiree Coverage plans offering fewer benefits or charging employers more, an additional cost that would likely be passed on to retirees. One independent analysis estimates that CMS's proposed change will result in increased out-of-pocket costs of more than \$250 per senior retiree in 2017. The Agency estimates that EGWPs will realize a 2.5 percent cut on average in 2017 as a result of the proposed change.

In an effort to ensure that complex vulnerable populations who may not be dual eligible are not harmed and to protect the health and retirement security of seniors with MA Retiree Coverage, we respectfully request that CMS refrain from finalizing these changes for 2017. We support ensuring that beneficiary costs and plan payments are aligned; however, CMS should not establish policies that harm a majority of seniors enrolled in MA plans.

Sincerely,



Patrick Meehan
Member of Congress



Robert A. Brady
Member of Congress



Mike Kelly
Member of Congress



Bill Shuster
Member of Congress



Lou Barletta
Member of Congress



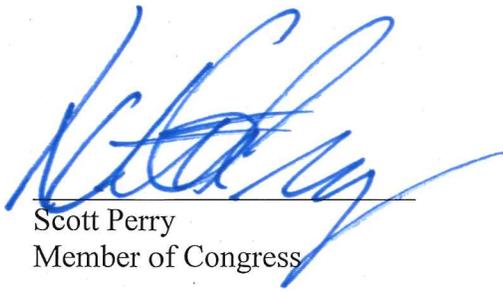
Charles W. Dent
Member of Congress



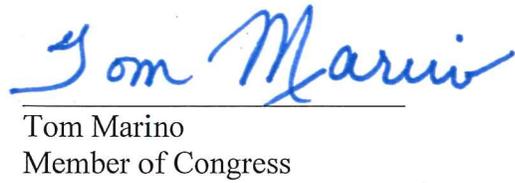
Mike Fitzpatrick
Member of Congress



Ryan Costello
Member of Congress

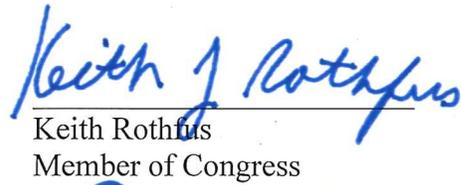

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Member of Congress


Brendan F. Boyle
Member of Congress

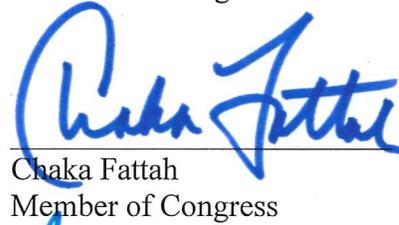

Tom Marino
Member of Congress


Joseph R. Pitts
Member of Congress


Matt Cartwright
Member of Congress

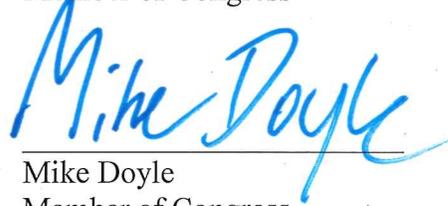

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Member of Congress


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Member of Congress


Chaka Fattah
Member of Congress



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Member of Congress



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