

United States Senate

WASHINGTON, DC 20510

March 23, 2015

Mr. Andy Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, S.W.
Washington, DC 20001

Dear Acting Administrator Slavitt:

We are writing to reiterate our strong support for the Medicare Advantage (MA) program and to urge the Centers for Medicare & Medicaid Services (CMS) not to move forward with implementing its revised risk-adjustment model in 2016 as announced in the 45-Day Notice.

MA plans have made significant contributions to improving care delivery and quality since the program's inception a decade ago. Plans have achieved these accomplishments by investing in initiatives to better integrate care and services that help beneficiaries – particularly those with a chronic illness – get the most out of their coverage and maintain their health. Plans' capacities to make and sustain these investments depend on a stable payment environment that ensures payments reflect enrollees' health care needs. We were disappointed to see that in the CY2016 45 Day Notice for Medicare Advantage, CMS proposed a new payment cut to the MA program. We urge you to avoid regulatory policies that will create further disruptions to MA beneficiaries in 2016.

Although the health-status risk-adjuster attempts to match payments to beneficiary health status, the Medicare Payment Advisory Commission (MedPAC) reported in June 2014 that the model tends to overpay for very low-cost enrollees and underpay for very high-cost enrollees. This is especially problematic since it hinders plans' abilities to serve beneficiaries who can most benefit from better coordinated care, such as those who are very frail or have multiple chronic conditions.

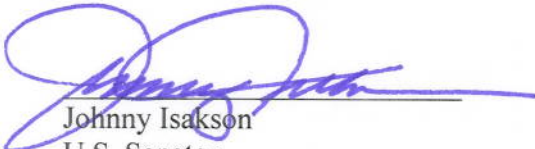
It is our understanding that the revised health-status risk-adjustment model that CMS plans to fully implement next year does little, if anything, to address this issue. In fact, it removes a number of categories related to chronic kidney disease and diabetes that may undermine patient care. The impact is most significant with the minority and low-income communities where these chronic conditions are most prevalent. By CMS' own account, fully implementing the revised model, which is a drastic shift from the 2015 approach, will decrease payments by 1.7 percent next year.

We understand that the 2013 model provides plans with greater certainty and less volatility as compared to the 2014 model. As a result, we believe that CMS should, at the very least, take a pause and refrain from further implementation of the 2014 model. It is imperative that providers, plans, patients and the public have a full and fair opportunity to provide CMS with data and feedback on approaches to improve the risk-adjuster and ensure the MA program's stability.


We are deeply concerned about the destabilizing impact that the proposed policy will have on MA plans and the millions of beneficiaries they serve. We look forward to working with you to meet our

collective goal of ensuring that the program grows in a clinically and fiscally responsible manner and continues to evolve as a strong public benefit for our seniors.

Sincerely,




Johnny Isakson
U.S. Senator



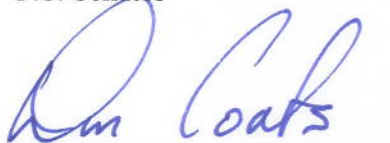
Michael F. Bennet
U.S. Senator



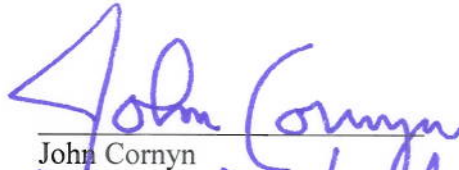
Richard Burr
U.S. Senator



Robert P. Casey, Jr.
U.S. Senator



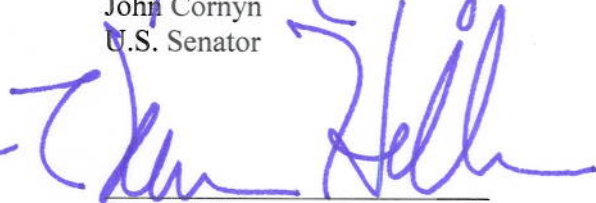
Daniel Coats
U.S. Senator




John Cornyn
U.S. Senator



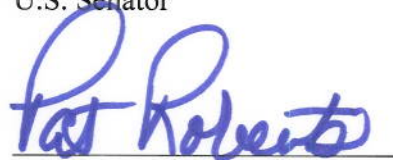
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U.S. Senator



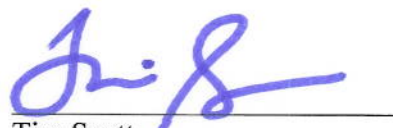
Bill Nelson
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Pat Roberts
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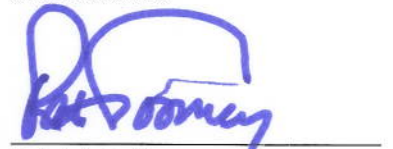
Charles E. Schumer
U.S. Senator



Tim Scott
U.S. Senator



John Thune
U.S. Senator



Patrick J. Toomey
U.S. Senator

Mark R Warner

Mark Warner
U.S. Senator

CC:

The Honorable Sylvia Burwell
Secretary
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