



701 Pennsylvania Ave. N.W., Suite 700
Washington, D.C. 20004-2694
(202) 737-5980 • (202) 478-5113 (fax)
info@populationhealthalliance.org www.
www.populationhealthalliance.org

February 28, 2014

Ms. Marilyn Tavenner
Administrator
Centers for Medicare & Medicaid Services
The Hubert H. Humphrey Building
200 Independence Avenue S.W.
Washington D.C. 20201

Re: CMS 2015 Advanced Notice and Call Letter

Dear Administrator Tavenner,

The Population Health Alliance (PHA), is deeply concerned by the Centers for Medicare & Medicaid Services' (CMS) proposed cuts to Medicare Advantage (MA) rates in the February 21st 2015 Advanced Notice. The MA program is a popular choice among America's seniors who value its high-quality care coordination, wellness, and prevention services. However, CMS' proposed payment cuts threaten the future stability of the MA program. **We strongly urge CMS to honor its commitment to supporting high-quality programs and value-based health care by eliminating the proposed cuts and holding 2015 MA payment rates flat.**

PHA convenes a broad range of stakeholders dedicated to enhancing the health of populations. Through advocacy, research, and education, PHA advances evidence-based population health management strategies. PHA aims to improve care quality and health outcomes while reducing preventable costs for the healthy and those at risk of or suffering from chronic conditions. Our diverse membership of more than 100 organizations and individuals includes physician groups, nurses, other health care professionals, hospital systems, wellness and prevention providers, population health management organizations, pharmaceutical manufacturers, pharmacies and pharmacy benefit managers, health information technology innovators, employers, researchers, and academics.

MA programs have demonstrated success in improving the health of America's seniors and helping to reduce overall health care spending. Seniors receive enhanced evidence-based services through MA that are not offered under conventional Medicare Fee-For-Service, such as chronic care management, wellness and prevention care. PHA's members provide high-quality care to MA seniors across the country, while achieving health care cost-savings.

Although over 90% of seniors express strong satisfaction with their MA benefits, CMS is proposing serious funding cuts in the 2015 Advanced Rate Notice totaling nearly -6%.¹ When added to the average -6.7% rate reduction from last year's 2014 CMS Final Rate Notice, this results in an unprecedented cut of about -12% to MA in just two years. Seniors are already feeling the effects of last year's rate reduction. As you know, the 2014 rate reduction caused 360,000 seniors to lose their MA plan, 10% higher out-of-pocket costs, a 35% increase in the maximum out-of-pocket threshold, and eliminated benefits.

Cutting this program fails to uphold CMS' commitment to advancing higher-quality, value-based health care. In the April 7th Final Rate Notice, we strongly urge you to keep 2015 MA payment rates flat to ensure the program will continue improving care and reducing costs without interruption for seniors. PHA would be pleased serve as a resource on the beneficial outcomes resulting from MA and the value of this program in the lives of America's seniors. For inquiries, please feel free to contact Vicki Shepard at 615-202-2029 vicki.shepard@healthways.com.

Sincerely,



Fred Goldstein
Interim Executive Director
Care Continuum Alliance d.b.a. Population Health Alliance

cc:

The Honorable Ron Wyden
U.S. Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sandy Levin
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Orrin Hatch
U.S. Senate
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Fred Upton
U.S. House of Representatives
2183 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Dave Camp
U.S. House of Representatives
341 Cannon House Office Building
Washington, D.C. 20515

The Honorable Henry Waxman
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, D.C. 20515

¹ Michael Ramlet and Kyle Dropp, "Analysis Memo: Senior's Opinions on Medicare and Proposed Changes," The Morning Consult (February 2014).