



March 4, 2014

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

Mr. Denis McDonough  
White House Chief of Staff  
Executive Office of the President  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Ms. Sylvia Mathews Burwell  
Director  
Office of Management and Budget  
725 17th Street, NW  
Washington, DC 20503

Re: CMS 2015 Advanced Notice and Call Letter

The Medicare Advantage Action Coalition is writing to express our disappointment and concern over the Centers for Medicare and Medicaid Services (CMS) February 21st Advanced Notice. We represent several thousand stakeholders across the health care spectrum, including but not limited to, physicians, health care professionals, health plans, aging and disability groups, industry and trade associations and employers. The Medicare Advantage (MA) program cannot withstand any additional cuts without affecting its ability to offer comprehensive, high-quality, and affordable benefits and services. For MA seniors, many of whom are living on fixed incomes, CMS' proposed cut of approximately -6% would lead to significant disruption, as more than 41% have annual incomes of less than \$20,000 and 21% have incomes of less than \$10,000.

In our recent letter dated February 12<sup>th</sup>, we asked CMS to protect MA beneficiaries from rate cuts in the 2015 rate-setting process. In the final CMS Rate Notice anticipated on April 7<sup>th</sup>, **we strongly urge CMS to eliminate the proposed cuts, providing flat MA rates in 2015 in order to prevent dramatic disruption to the over 15 million beneficiaries enrolled in this valuable program.**

The MA program offers evidence-based services such as care coordination and wellness benefits that are not available under traditional Fee-For-Service Medicare. These benefits have proven to result in better health outcomes and well-being, while reducing emergency room visits, hospital admissions and other acute health episodes. However, in 2014 CMS cut MA rates by an average of -6.7% causing a decline in MA enrollment and serious disruption to MA beneficiaries in the form of higher out-of-pocket costs, scaled-back benefits, narrower provider networks, and fewer plan choices. These cuts also impacted access to critical services such as care management for chronic illness, and supplemental benefits like dental, vision, and fitness coverage. Out-of-pocket costs and specialist co-pays increased by an average of 10%, while maximum out-of-pocket thresholds increased by an average of \$560 per person.

MA cuts of over -12% in just two years will further compromise program stability and sustainability. These cuts will bring significant harm to America's seniors in the form of additional out-of-pocket costs,

fewer plan choices, further reductions in benefits and more limited provider access, given that an increasing number of MA plans may exit the program.

Holding 2015 MA rates flat is imperative to America's seniors and the future of the MA program. Please prevent avoidable disruption to MA beneficiaries and stop further damage to the program by maintaining MA rates at the current 2014 payment level in 2015.

Thank you for your consideration.

Sincerely,

Caregiver Action Network  
Case Management Society of America  
CAPG: Voice of Accountable Physician Groups  
Health Intelligence Partners  
Healthcare Leadership Council  
National Coalition on Healthcare

Council for Affordable Health Coverage  
Healthways  
Care Continuum Alliance, dba Population Health Alliance (PHA)  
Viridian Health Management  
U.S. Chamber of Commerce

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