

United States Senate

WASHINGTON, DC 20510

March 15, 2013

Ms. Marilyn Tavenner
Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Ms. Tavenner:

We are writing to express our serious concern with the Centers for Medicare and Medicaid Services' (CMS) Medicare Advantage (MA) Advance Rate Notice and Draft Call Letter published on February 15, 2013. While we strongly support reforms to the Medicare Advantage program that provide seniors with high quality care, we are concerned that the proposals could result in reduced access for our constituents who are enrolled in Medicare Advantage. Plans have informed us that they may exit certain markets as a result of CMS' proposal.

Like you, we are strong supporters of the MA program. Medicare Advantage plans provide comprehensive benefits to over 14 million seniors, and help to improve care and control costs through disease management programs, nurse-help hotlines, and care coordination. Since the reductions to the Medicare Advantage program in statute have not been fully implemented, we ask that CMS evaluate the total impact these cuts will have on current beneficiaries and delay further reductions and program changes until these impacts are fully understood.

First, Medicare Advantage plans contend that your proposal to the quality improvement measures, often referred to as the "Star Rating" system, will impact more than 5 million seniors. We are concerned that these changes do not reflect Congressional intent and may not reward those plans that have worked hard to provide high quality care to their members and put some areas of the nation, which do not contain higher scoring plans, at a disadvantage. The purpose of the Star Rating system is to help seniors judge the quality of Medicare Advantage plans and to reward higher quality plans while incentivizing all plans to be more consumer-friendly and efficient. The proposed calculation change undermines Congressional intent by changing the rules for plans after the performance period, thereby making it more difficult for plans to achieve 4 and 5 stars. Under your proposal, plans estimate that there will no longer be any 5 star plans and roughly 900,000 beneficiaries who are currently in 5 or 4 star plans will see a lower score for their plan. We have also been told that lower-rated plans may be elevated, without improving their quality.

Changes of this magnitude create confusion among beneficiaries looking for consistency in star ratings when enrolling in plans. It is critical that CMS communicate the impact of these changes to seniors if this proposal is finalized. We ask that you defer making changes to this program

until the full demonstration has ended in 2014. Future changes to the Star Rating system should be transparent, made prospectively after the end of the current plan performance period, and allow for input from the stakeholder community and Members of Congress.

Second, CMS has proposed -2.5% of coding intensity adjustments to the 2014 risk adjustment methodology. We are concerned that this may duplicate the coding intensity provision required in the recently passed American Taxpayer Relief Act. The provision enacted by Congress provides sufficient adjustments.

We also wanted to express concern with the impact some of these changes will have on the PACE program. The elimination of dementia from the risk adjustment model could dramatically affect PACE enrollees. Approximately half of PACE enrollees have a dementia diagnosis and these individuals have significantly higher costs than individuals who do not have a dementia diagnosis. PACE provides a critical service for some of our nation's most frail and vulnerable seniors. We request that you reconsider this change and ensure that PACE programs are adequately compensated for the care they provide.

Finally, we ask that in developing the Medicare Advantage rates, CMS assume that Congress will enact a Sustainable Growth Rate (SGR) fix as it has done for the past 11 years. We understand that CMS does not believe that it has the authority to make this change, but we hope you will reconsider.

We appreciate that the agency is closely monitoring the Medicare Advantage program which has resulted in increased enrollment over the past few years. We hope you will reconsider these provisions.

Thank for your consideration of this important issue. We look forward to your timely response.

Sincerely,

Chuck Sch

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Ray

IGB

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