

BETTER MEDICARE

ALLIANCE

January 30, 2017

The Honorable Patrick Conway
Acting Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Patrick Conway:

As Better Medicare Alliance (BMA) allies that are strong advocates for the use of quality incentives to enable enhanced benefits for Medicare Advantage beneficiaries, we are writing to advocate for the removal of the Medicare Advantage benchmark cap. We urge legislative or administrative action to remove the Medicare Advantage benchmark cap for 4-Star or higher plans to ensure all beneficiaries experience all the benefits of enrollment in a high quality plan. We stand in support of the BMA advocacy efforts to remove the Medicare Advantage benchmark cap that undermines quality incentives for Medicare beneficiaries.

We are advocates for Medicare Advantage because it **enables more comprehensive care for beneficiaries by providing supplemental services like dental, vision, hearing, exercise, and reduced cost sharing**. Over 18 million beneficiaries are currently enrolled in Medicare Advantage – a third of Medicare. Beneficiaries are choosing Medicare Advantage in increasing numbers because of quality, affordable, and coordinated value-based care.

Providers choose Medicare Advantage because it enables flexibility and innovation in service delivery, while facilitating the transition in Medicare from volume to value. In Medicare Advantage plans are incentivized to improve quality and efficiency in order to provide more complete benefits to beneficiaries. Payments are tied to quality through a Star Rating System that rewards plans with 4-Star or higher ratings, on a 5-star scale, with a quality bonus. **These financial incentives support investments in innovations like telemedicine, disease management programs, and other important benefits not included in Medicare core benefits that have been proven to improve outcomes – such as improved dental, vision, and hearing care**. Additionally, we continue to advocate for more flexibility in the use of rebate dollars to allow nutrition and transportation benefits to be offered to more beneficiaries to improve health outcomes.

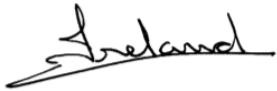
The benchmark cap enacted by the Affordable Care Act (ACA) undermines quality incentives in Medicare Advantage by capping payment at the pre-ACA level. As a result, over 2 million Medicare Advantage beneficiaries were denied additional benefits due to the benchmark cap in certain counties in 2016.

We are concerned that failing to address the benchmark cap issue could impact over 3 million Medicare Advantage beneficiaries in capped counties across the country. Congress should act legislatively, or the Centers for Medicare & Medicaid Services (CMS) should take steps administratively to address the benchmark cap issue in the upcoming Advance Notice

expected on February 2, 2017. A failure to act means many beneficiaries will not receive the additional benefits for enrolling in a high quality Medicare Advantage plan.

We appreciate your support for Medicare Advantage and the value-based, high quality, and coordinated care it offers Medicare-eligible beneficiaries. BMA allies stand together to protect the enhanced benefits Medicare Advantage provides to beneficiaries. There is broad bipartisan support to address the benchmark cap issue. **We ask you to support legislative and administrative efforts to remove the Medicare Advantage benchmark cap for 4-Star or higher plans to ensure all beneficiaries can benefit from enrollment in high quality plans across the country.**

Sincerely,



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