

BETTER MEDICARE

ALLIANCE

February 17, 2016

Mr. Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Acting Administrator Slavitt:

As you prepare to release the CY2017 Advance Notice, we write to underscore our support for the Medicare Advantage (MA) program and urge you to ensure that proposed changes reflect the goals of MA in providing coverage that enables early intervention, care coordination, and reduced disease progression, particularly for those beneficiaries with multiple conditions. Second, that any changes recognize that MA's continued success depends on both stability and predictability in payments and policies that enable innovative and dynamic changes in delivery of care to almost 18 million beneficiaries.

The Better Medicare Alliance (BMA) is a broad coalition of ally organizations who ask for support and stability in the program because MA is working – it's working to improve care for beneficiaries, it's working to empower clinicians to transform the model of care, and it's working to achieve the goals of the Administration to move the Medicare system from volume to value. Our allies include advocacy organizations, aging service agencies, beneficiaries, clinicians, health plans, provider groups, and retiree organizations who are at the forefront of care and innovation in MA. BMA aims to draw from this wealth of knowledge and experience, as well as high quality research, to present evidence-based information and articulate solutions to policy makers in order to help support and strengthen MA. We ask that actions by the Centers for Medicare & Medicaid Services aim to best enable MA to continue to drive innovation, effectiveness, and improved health outcomes for beneficiaries.

MA is Working for Beneficiaries

Over one-third of Medicare beneficiaries have chosen MA and this number continues to grow. The data, and our allies, report that a growing number of low-income and racial/ethnic minorities rely on MA to deliver a high value, affordable option within Medicare. The older adults and disabled individuals choosing MA state that they are more satisfied with MA than Traditional Fee-For-Service (FFS) Medicare.

- *Low income beneficiaries chose MA:* 37% of MA beneficiaries have annual income of \$20,000 or less.¹
- *Racial/Ethnic minorities rely on MA:* 44% of Hispanic Medicare beneficiaries and 31% of African American beneficiaries chose MA.²
- *Coverage includes important supplemental benefits:* over 97% of plans offer at least a vision, hearing, or dental benefit, and half of MA plans offer all three benefits.³
- *Enrollees are happy with their coverage:* 91% of beneficiaries choosing MA are satisfied with their coverage.⁴

¹ CMS. Medicare Current Beneficiary Survey (MCBS), 2012 data. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/index.html>

² Ibid.

³ CMS data, 2015.

⁴ Better Medicare Alliance, The Winston Group. Recent Survey on Medicare Advantage. (February 24-28, 2015). Available at: <http://www.bettermedicarealliance.org/news/icymi-bipartisan-poll-finds-sky-high-approval-medicare-advantage>

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- *Beneficiaries stay in their MA coverage:* 98% of MA beneficiaries stay in MA year to year.⁵

MA is Working for Individuals with Chronic Conditions and with Disabilities

It is essential that our health care system improves care and outcomes for the 68% of the Medicare population living with two or more chronic conditions.⁶ Increasingly, our provider group and clinician allies are demonstrating that through early identification of disease, intervention, and care coordination, MA is improving care and developing best practices for chronic disease management.

- *Diabetics often receive better care and have improved outcomes:* studies show MA performs better on most diabetic management measures and achieves a 19% reduction in hospital days and 28% reduction in hospital admissions as compared to FFS.^{7,8}
- *Disabled beneficiaries get high quality care:* a study showed the average length of stay for individuals younger than 65 in MA with disability was 12.4% shorter when compared to FFS.⁹

MA is Working to Improve Primary Care and Avoid Adverse Events

Our allies articulate that the capitated system within MA gives them the flexibility to practice medicine in a way that shifts the focus from volume to value and helps strengthen the role of primary care. MA also allows providers to innovate and implement systems that improve health outcomes, especially for individuals with complex needs.

- *Individuals receive preventive care:* Beneficiaries are about 20% more likely to have an annual preventive care visit in MA versus FFS.¹⁰
- *ER visits are decreased:* studies have shown emergency room visits are approximately 20% to 25% lower among MA enrollees as compared to FFS.¹¹
- *Readmissions are reduced:* studies have shown that readmission rates among MA enrollees are 9% to 22% lower in MA when compared to FFS.^{12,13}

MA is Working to Realize a Value-Based System

It is not easy to transition Medicare to alternative payment models, but the MA system has shown a framework within which the change is happening. Clinicians, plans, caregivers, and other stakeholders within in the MA system continue to work together to transform care delivery and move towards the shared goals of quality and value.

- *MA delivers high quality care:* the number of enrollees in 4+-Star (out of 5-star) plans increased from 10% to over 70% between 2009 and 2015.¹⁴
- *MA plans are leading the way on value-based contracting:* Aetna has a goal to reach 75% of its medical spending in MA in value-based contracting by 2020; Humana aims to have 75% of its MA enrollees in value-based care models by 2017; UnitedHealthcare expects value-based care arrangements for its enrollees to reach \$65 billion by the end of 2018.

⁵ Medicare Payment Advisory Commission, Meeting Presentation: Medicare Advantage demographics and enrollment patterns. (September 11, 2014). Available at: <http://www.medpac.gov/documents/september-2014-meeting-presentation-medicare-advantage-demographics-and-enrollment-patterns.pdf>

⁶ CMS. Chronic Conditions Among Medicare Beneficiaries. Chartbook: 2012 Edition. Available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Chronic-Conditions/Downloads/2012Chartbook.pdf>

⁷ Brennan N, Shepard M. Am J Manag Care. Comparing quality of care in the Medicare program, 16, vol. 11 (Nov 2010):841-848.

⁸ Robb Cohen, Jeff Lemieux, Jeff Schoenborn and Teresa Mulligan. Medicare Advantage Chronic Special Needs Plan Boosted Primary Care, Reduced Hospital Use Among Diabetes Patients. Health Affairs, 31, no.1 (2012):110-119.

⁹ Raetzman, S.O., Hines, A.L., Barrett, M.L., Karaca, Z. Hospital Stays in Medicare Advantage Plans Versus the Traditional Medicare Fee-for-Service Program, 2013. HCUP Statistical Brief #198. (December 2015).

¹⁰ Sukyung Chung, Lenard I. Lesser, Diane S. Lauderdale, Nicole E. Johns, Latha P. Palaniappan and Harold S. Luft. Medicare Annual Preventive Care Visits: Use Increased Among Fee-For-Service Patients, But Many Do Not Participate. Health Affairs, 34, no.1 (2015):11-20.

¹¹ Landon, B.E., Zaslavsky, A.M., Saunders, R.C. Pawlson, G. et al., Analysis of Medicare Advantage HMOs Compared with Traditional Medicare Shows Lower Use of Many Services During 2003-2009, Health Affairs, 31:12 (2012).

¹² Basu, J., Mobley, L.R. Medicare Managed Care Plan Performance: A Comparison Across Hospitalization Types, Medicare & Medicaid Research Review, 2:1 (2012).

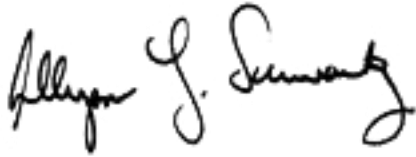
¹³ Jeff Lemieux, MA; Cary Sennett, MD; Ray Wang, MS; Teresa Mulligan, MHSA; and Jon Bumbaugh, MA. Hospital Readmission Rates in Medicare Advantage Plans-Am J Manag Care, 18, no. 2 (2012):96-104.

¹⁴ CMS Star Rating and enrollment data, 2009 and 2015.

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As a coalition of 45 ally organizations and over 100,000 beneficiaries, BMA represents a wide range of stakeholders who believe MA is the path towards the high quality, value-based care our Medicare beneficiaries deserve – and that MA is an incubator for innovation and reform that can benefit the entire Medicare system. We request that the policies in the upcoming proposal support these goals of innovation, effectiveness, and improved health outcomes and prevent disruption in the MA model that is working for our allies, beneficiaries, and the Medicare system.

Sincerely,

A handwritten signature in black ink, reading "Allyson Y. Schwartz". The signature is written in a cursive, flowing style.

Allyson Y. Schwartz
President & CEO
Better Medicare Alliance

Better Medicare Alliance Allies

Aetna	National Association of Manufacturers
Alliance for Aging Research	National Association of Nutrition and Aging Services Programs
American Association of Nurse Practitioners	National Caucus and Center on Black Aging
American Medical Group Association	National Hispanic Coalition on Aging
American Nurses Association	National Hispanic Medical Association
American Osteopathic Association	National Medical Association
Association for Behavioral Health and Wellness	National Minority Quality Forum
Business Council of New York State	National Retail Federation
Coalition of Texans with Disabilities	NaviHealth
Chamber of Commerce Southern New Jersey	New Jersey Business and Industry Association
Commerce and Industry Association of New Jersey	New Jersey State Chamber of Commerce
Florida Health Networks	New Jersey State Nurses Association
Health Quality Partners	Nurse Practitioner's Association of New York State
Healthcare Leadership Council	Palm Beach Area Agency on Aging
HealthSpan Partners	Pennsylvania Chamber of Business and Industry
Healthways	Population Health Alliance
Humana	SilverSneakers Fitness
Indiana University Health	Society on Women's Health Research
International Council on Active Aging	Texas Association of Business
Iora Health	UnitedHealth Group
Kentucky Teachers' Retirement System	U.S. Chamber of Commerce
Mercy Health	VSP Vision Care
The Latino Coalition	

Better Medicare Alliance (BMA) is the leading coalition of nurses, doctors, health plans, employers, aging service agencies, advocates, retiree organizations, and beneficiaries supporting Medicare Advantage. Medicare Advantage offers quality, affordability and simplicity, with enhanced benefits to more than 17 million Medicare beneficiaries across America. BMA works to ensure the sustainability and stability of Medicare Advantage through information, research, education, and united support among stakeholders to strengthen this important coverage for seniors and people with disabilities.