

July 20, 2017

The Honorable Greg Walden
Chairman
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Michael C. Burgess
Chairman
Subcommittee on Health
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Gene Green
Ranking Member
Subcommittee on Health
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairman Walden, Ranking Member Pallone, Subcommittee Chairman Burgess,
and Subcommittee Ranking Member Green:

We, the undersigned organizations, representing Special Needs Plans, health care providers, advocates and Medicare beneficiaries, write to convey our strong support for Medicare Advantage Special Needs Plans (SNPs), and the specialized care they deliver to more than 2.4 million high-need, high-cost Medicare beneficiaries.

With current SNP authorization expiring at the end of 2018, we remain committed to working this year in a bipartisan manner with Congress and the Administration to permanently authorize all SNPs to ensure that they are stable, accessible, high quality, cost effective, and financially viable for the millions of Medicare beneficiaries who depend on SNPs for their care.

Knowing that beneficiaries with chronic conditions are among Medicare's most costly and fastest-growing patient groups, Congress prudently created SNPs in the Medicare Modernization Act of 2003 (MMA, P.L. 108-173). Congress has continued to reauthorize the program since 2003 because the capitated, or fixed dollar amount per member, per month system in Medicare Advantage incentivizes not only the appropriate level of care and better care management for chronic conditions, but also has the capacity to create value-based models of care that provide specialized medical services for these beneficiaries.

Today, SNPs serving beneficiaries who are dually-eligible for Medicare and Medicaid (D-SNPs), have certain chronic conditions (C-SNPs), or receive long-term care in an institutional setting such as a Skilled Nursing Facility (I-SNPs) have all been highly successful in targeting clinical programs to more effectively care for high-risk beneficiaries who have multiple chronic conditions or complex medical problems. These specialized models of care better coordinate benefits and services for the SNP enrollee population, and include care management tools, such as care managers, interdisciplinary teams, specialized provider networks, and quality improvement plans that can better enable data sharing across health plans and providers.

According to the Centers for Medicare & Medicaid Services (CMS), I-SNPs perform well on quality measures, and have proven success in lowering hospital readmission rates.¹ ² D-SNPs had the most performance measures with a statistically significant improvement from 2012-2013.³ A 2012 study found beneficiaries in C-SNPs had lower rates of hospitalizations and readmissions than their peers in FFS Medicare.⁴ A Commonwealth Fund Case

¹ MedPAC. "Medicare Advantage special needs plans." MedPAC. N.p., Mar. 2013. [Web](#).

² MedPAC. "Report to Congress: Medicare and the Health Care Delivery System." Page 269. MedPAC. N.p., June 2017. [Web](#).

³ National Training Program. "Centers for Medicare & Medicaid Services." www.seiservices.com. CMS, 11 Aug. 2015. [Web](#).

⁴ Robb Cohen, Jeff Lemieux, Jeff Schoenborn, Teresa Mulligan, "Medicare Advantage Chronic Special Needs Plan Boosted Primary Care, Reduced Hospital Use Among Diabetes Patients," Health Affairs, January 2012 vol. 31 no. 1 110-119.

Study found in 2015, CareMore plan beneficiaries had 20 percent fewer hospitalizations, while delivering Medicare benefits more efficiently. The CareMore plan has an I-SNP, D-SNP, and C-SNP.⁵

As Congress works to build on these achievements for current and future high-need, high-cost beneficiaries, we firmly believe that several key principles should guide legislative efforts. SNP reauthorization should include provisions that provide for:

- **Stability Through Permanency**—Permanently authorizing all SNPs will provide states, health plans, and providers with a stable environment to allow for care continuity for beneficiaries, and for greater planning of and investment in the successful care models that SNPs provide to high-need beneficiaries.
- **A Workable Pathway Toward Integration**—We agree that integration of Medicare and Medicaid services in D-SNPs is an important goal for states, plans, and beneficiaries. Specific consideration should be given to ensuring states and plans have multiple pathways to work together to tailor integration. In addition, legislation should state explicitly that plans should not be penalized for state decisions that might impede integration.
- **Strengthening the Role of the Medicare-Medicaid Coordination Office**—The MMCO plays a vital leadership role for CMS, states, and plans in advancing dual integration in general. For integration to be successful over time, the MMCO should be given regulatory and guidance authority for aligning the spectrum of Medicare and Medicaid policies and procedures for plans charged with integrating benefits and services for dually eligible beneficiaries.
- **Benefit Flexibility**—We are supportive of policies that allow Medicare Advantage plans—including SNPs—to most efficiently and effectively meet the needs of chronically ill beneficiaries. This includes policies expanding the type of supplemental benefits plans can offer these beneficiaries, as well as expanding the use of Value-Based Insurance Design (VBID), which is currently being tested by the Center for Medicare and Medicaid Innovation (CMMI). These policies will allow SNPs to better tailor medical and social services for their high-need enrollees.

Thank you for your consideration of these principles as you work to further policies that will better enable Medicare Advantage SNPs to provide high quality care over the long term and focus on prevention, coordinated care, better management of chronic conditions, and new provider payment models that reward value over volume and meet the needs of complex patients.

We appreciate the thoughtful work and stakeholder engagement offered by the committees of jurisdiction. We stand ready to work with you to ensure continuity, affordability, and peace of mind for the millions of Medicare beneficiaries who depend on SNPs for their care.

Sincerely,

AIDS Healthcare Foundation
Alliance of Community Health Plans
America's Health Insurance Plans
Association for Community Affiliated Plans
Better Medicare Alliance
Blue Cross Blue Shield Association

Healthcare Leadership Council
Meals on Wheels America
National Alliance on Mental Illness
National Coalition on Health Care
National Minority Quality Forum
SNP Alliance

cc: The Honorable Paul Ryan, Speaker, U.S. House of Representatives
The Honorable Nancy Pelosi, Minority Leader, U.S. House of Representatives

⁵ Martha Hostetter, Sarah Klein, and Douglas McCarthy. "CareMore: Improving Outcomes and Controlling Health Care Spending for High-Needs Patients." www.commonwealthfund.org. N.p., Mar. 2017. [Web](#).