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Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-4203, NC
P.O. Box 80103
Baltimore, MD 21244

Re: Medicare Program; Request Information on Medicare (CMS Docket No. CMS-4203-NC)

The National Association of Manufacturers is pleased to provide the Centers for Medicare and Medicaid Services with these comments on the Department of Health and Human Service's request for information on Medicare, CMS Docket No. CMS4203-NC.

The NAM is the largest manufacturing association in the United States, representing manufactures in every industrial sector and in all 50 states. The manufacturing sector employs close to 13 million men and women, contributes more than \$2.77 trillion to the U.S. economy annually, supports the largest economic impact of any major sector and accounts for 58% of all private-sector research and development.¹ The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States. We appreciate this opportunity to provide CMS with input and industry insights as the agency seeks to improve the Medicare Advantage program as manufacturers offer competitive and robust benefits to a sizeable portion of the U.S. workforce, including retirees and those nearing retirement. Manufacturers go to great lengths to provide health insurance offerings even as both large and small manufacturers cite rising health care expenses as one of their top business concerns; 99% of NAM member companies offer health benefits to their employees to retain and attract talent, and because manufacturers believe it is the right thing to do.²

Attracting and retaining a quality workforce is one of the greatest challenges facing the manufacturing industry. In a recent study, 45% of manufacturers reported they have turned down business growth opportunities due to a lack of available workers.³ Retaining talent is vital in manufacturing specifically, as 5% of the workforce is currently on the job beyond retirement age with an additional 20% reaching that threshold within the next decade.⁴ Labor force participation among the demographic of 65- to 74-year-olds is also expected to increase into 2024 according to BLS data. As a result, manufacturers recognize that supporting our aging

¹ <https://www.nam.org/facts-about-manufacturing/>

² <https://www.nam.org/competing-to-win/>

³ https://www.themanufacturinginstitute.org/wp-content/uploads/2022/03/DI_ERI-The-workforceexperience-in-manufacturing-Does-manufacturing-need-to-recast-its-image_final-copy-1.pdf

⁴ <https://www.themanufacturinginstitute.org/wp-content/uploads/2021/11/AARP-Multigenerational-Teams-2021.pdf>

population is a priority. Medicare Advantage is an important tool in providing aging employees and company retirees with the support and health care options they need. Employers have been able to utilize this health care model for retirees by offering what is known as Employer Group Waiver Plans. And some employees over 65 also take their Medicare options while being fully employed and having access to employer-sponsored plans. Medicare Advantage is attractive to employers and beneficiaries due to competitive choices and flexibility, with 94% of beneficiaries citing plan satisfaction.⁵ Beneficiaries also report spending approximately \$2,000 less annually on out-of-pocket costs and premiums than those enrolled in Medicare Fee-For-Service. Lower rates of avoidable hospitalizations are also documented with Medicare Advantage beneficiaries.⁶

Flexibility is key to expanding coverage options and enabling innovative models of care that help maintain a healthy workforce and provide competitive benefits. Medicare Advantage offers manufacturers a significant tool to retain older workers who not only provide functional and immeasurable workforce expertise, but unique insight and industry perspective that is irreplaceable. In a recent study by the The Manufacturing Institute and AARP, more than 60% of companies utilize multigenerational teams to enhance innovation and creativity and improve productivity.⁷ In addition, more than half of manufacturers say that they are encouraging their near-retirement workers to stay longer, if possible, especially in a tight labor market.⁸

Manufacturers are encouraged by the potential for health care innovation through outcomes-based health care arrangements. Medicare Advantage plans have been leaders in value-based care arrangements and are positioned to continue to accommodate and strengthen value-based care to promote healthy outcomes for beneficiaries.⁹ These arrangements are designed to align incentives across a range of parties—health care providers, employers, patients, insurers and pharmaceutical and life sciences manufacturers—so that delivery of care, payment arrangements and clinical outcomes are achieved in an efficient manner. Collaboration and improved benefit design hold the promise to change how health care is paid for and delivered. Improving data sharing and modernizing relevant outdated regulations that prevent these value-based arrangements from realizing their full potential would help address rising premiums and pharmacy costs effectively. This shift to reward value in health care delivery through value-based arrangements is truly transformational. Manufacturers are enthusiastic to realize the potential efficiencies that connect payment for a medicine to patient outcomes. To that end, manufacturers see promise in efforts to advance VBAs for prescription drugs in federally sponsored programs as a market-based solution to price setting and value determination.

Medicare Advantage provides manufacturers with critical and competitive options to support employee and retiree health, especially as employees are transitioning into retirement. Retaining quality care supports long-term well-being and satisfaction as manufacturers continue to support national economic imperatives around competitiveness, including workforce development. The NAM appreciates the opportunity to comment on this RFI. We encourage the

⁵ <https://bettermedicarealliance.org/state-of-medicare-advantage-2022/>

⁶ <https://bettermedicarealliance.org/wp-content/uploads/2022/07/BMA-State-of-MA-2022-FIN.pdf>

⁷ <https://www.themanufacturinginstitute.org/wp-content/uploads/2021/11/AARP-Multigenerational-Teams-2021.pdf>

⁸ https://www.nam.org/wp-content/uploads/2022/06/Manufacturers_Second_Quarter_Outlook_Survey_June_2022.pdf

⁹ <https://bettermedicarealliance.org/wp-content/uploads/2020/03/Value-Based-Convening-Report-AdvancingValue-BasedCareinMedicareAdvantage.pdf>

advancement of innovative ways for small and large employers to deliver quality health care to employees without sacrificing affordability.

Submitted Electronically by:

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