United States Senate

WASHINGTON, DC 20510

February 14, 2014

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

Dear Administrator Tavenner:

We write to raise serious concerns about the Medicare Advantage (MA) 2015 rate notice and the impact further cuts may have on the millions of individuals enrolled in the program. We are strongly committed to preserving the high quality health plan choices and benefits that our constituents receive through the MA program. Given the impact that payment policies could have on our constituents, we ask that you prioritize beneficiaries' experience and minimize disruption in maintaining payment levels for 2015.

Approximately 15 million seniors and individuals with disabilities – accounting for 28 percent of all Medicare beneficiaries – are currently enrolled in MA plans, which tend to offer more flexible services and benefits than traditional Medicare. MA plans are popular for many reasons, including the systems of coordinated care they have developed to provide for the seamless delivery of health care services, as well as their emphasis on preventive care and disease management services for beneficiaries with chronic conditions.

Studies show that enrollees in the MA program enjoy better health outcomes and receive higher quality care than their counterparts in the Medicare fee-for-service (FFS) program. A 2013 study published in Health Affairs found that MA plan performance measures for breast cancer screening, diabetes care, and cholesterol testing were consistently better when compared to traditional Medicare. Another study, published by the American Journal of Managed Care in February 2012, found that the hospital readmission rates for MA enrollees are 13-20 percent lower than for Medicare FFS enrollees –demonstrating MA plan patients avoid potentially harmful complications.

MA has been a great success and should remain a competitive choice for our constituents. Unfortunately, continued regulatory changes that affect the program's funding, year after year, create disruption and confusion among beneficiaries who are looking for consistency and predictability. Furthermore, such disruptions inhibit plans from driving the innovation that has resulted in better care and improved outcomes for Medicare beneficiaries. While we were very supportive of your decision to assume a "doc fix" in the 2014 MA rate calculation and urge you continue it this year, the MA program still experienced a real payment cut in 2014, not simply reductions in rates of projected growth.

We ask that you carefully examine the MA program and make policy changes for 2015 that ensure continued access and high quality care for America's seniors, persons with disabilities and other beneficiaries. Funding stability is key to building upon MA's successful coordinated care health outcomes. We urge you to maintain payment levels that will allow MA beneficiaries to be protected from disruptive changes in 2015. Thank you for your attention to this issue.

Sincerely,

Mike Crapo

Charles Schumer

Mark Begich

Richard Burr

Lamar Alexander

Kay R. Hagan

John Thune

Kelly A. Ayotte

Edward J. Markey

Mary L. Landrieu

Harry Reid

Bob Casey, Jr.

Michael B. Enzi

Mark R. Warner

Kirsten Gillibrand

Dan Coats

Mark F. Begich

Rob Portman

Saxby Chambliss

Roy Blunt

Chuck Grassley

Tom Udall

Tom Harkin

John Boozman

Jeffrey A. Merkley

Maria Cantwell

Jeff Merkley

Amy Klobuchar

Joe Donnelly

Mark Udall

Heidi Heitkamp

John Cornyn

Tom Udall

Jeanne Shaheen

Bill Nelson