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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL  
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

March 29, 2019

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
Department of Health & Human Services  
Baltimore, MD 21244-8013

Dear Administrator Verma:

As the Centers for Medicare & Medicaid Services (CMS) moves to finalize the Medicare Advantage (MA) program rules for calendar year 2020, we write to commend the Administration for its support of MA and to urge that it continue to take steps to preserve the program's success. The recent proposed changes for 2020, included in the two-part Advance Notice<sup>1 2</sup>, Draft Call Letter<sup>3</sup>, and Policy and Technical Changes proposed rule<sup>4</sup>, show that the Administration recognizes that stability and flexibility enable the growing number of beneficiaries who opt for MA to select from plan options to best meet their needs.

MA is popular among beneficiaries, with nearly 22 million currently enrolled, making up roughly one-third of eligible beneficiaries.<sup>5</sup> The MA program is anticipated to continue its steady growth, with enrollment projected to reach 38 million, accounting for 50 percent of those eligible, by 2025.<sup>6</sup> The MA program offers beneficiaries the ability to limit their out-of-pocket expenses while receiving benefits beyond the services covered in traditional fee-for-service Medicare. MA has also been shown to achieve better outcomes compared to traditional fee-for-service<sup>7</sup> and has a high-level of beneficiary satisfaction.<sup>8</sup>

We appreciate the steps that CMS is taking to implement additional flexibilities in the MA program that were reported by the Finance Committee and enacted through the Bipartisan Budget Act of 2018. Once the details of these policy improvements are established through the regulatory proposals referenced above and the Center for Medicare and Medicaid Innovation

<sup>1</sup> <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2020Part1.pdf>

<sup>2</sup> <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2020Part2.pdf>

<sup>3</sup> <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2020Part2.pdf>

<sup>4</sup> <https://www.govinfo.gov/content/pkg/FR-2018-11-01/pdf/2018-23599.pdf>

<sup>5</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDENrolData/Downloads/2019/March/Monthly-Summary-Report-2019-03.zip>

<sup>6</sup> <https://www.lek.com/insights/medicare-advantage-marching-toward-70-penetration>

<sup>7</sup> <https://onlinelibrary.wiley.com/doi/abs/10.1111/1475-6773.12787>

<sup>8</sup> [https://www.jdpower.com/sites/default/files/2018088\\_medicare\\_advantage\\_study.pdf](https://www.jdpower.com/sites/default/files/2018088_medicare_advantage_study.pdf)

(CMMI)<sup>9</sup>, beneficiaries will benefit from the increased ability of plans to use telehealth to expand access, promote high-impact services through value-based insurance design, and cover benefits for non-medical needs, including nutrition and transportation, that improve quality of life.

While we support the Administration’s stewardship of the program, we ask that CMS be mindful of the volume of policy changes contemplated in the proposals for 2020 and beyond. In addition, we urge that the agency be transparent with its estimates and proceed carefully with specific policy changes that aim to:

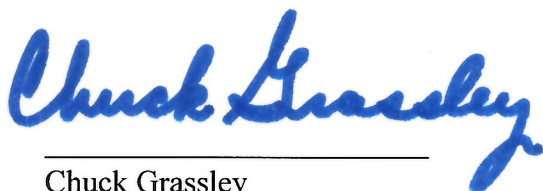
- Address risk-adjustment, including the incorporation of additional medical conditions and changes to Risk Adjustment Data Validation (RADV) audit methodology;
- Transition to increased use of valid encounter data; and
- Improve the plan star ratings system, including methodology changes.

The ability to understand CMS impact estimates enables more robust stakeholder input on proposed policy changes, better informing final policy decisions and preserving beneficiaries’ ability to receive high-quality health care.

A thriving MA program reinforces the approach of using private entities to deliver Medicare benefits to beneficiaries. The private-sector approach is further validated by experience in Medicare Part D, where beneficiaries have choice of prescription drug plans and a high-level of satisfaction. We look forward to working with the Administration to build on these successes—by strengthening MA and vigorously opposing efforts to: expand the role of the federal government; disrupt Medicare, particularly MA, for beneficiaries who rely on the program today; and eliminate private insurance.

Thank you for your commitment to MA and for on-going efforts to improve the program’s ability to serve beneficiaries through flexibility and plan choice. We look forward to continued collaboration.

Sincerely,



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Chuck Grassley  
Chairman  
Committee on Finance

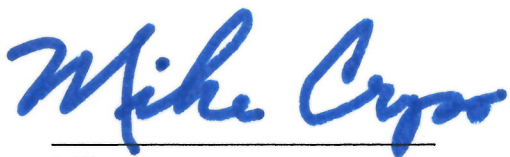


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Mitch McConnell  
Majority Leader  
United States Senate

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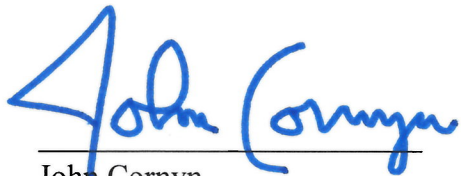
<sup>9</sup> <https://www.cms.gov/newsroom/fact-sheets/value-based-insurance-design-model-vbid-fact-sheet-cy-2020>



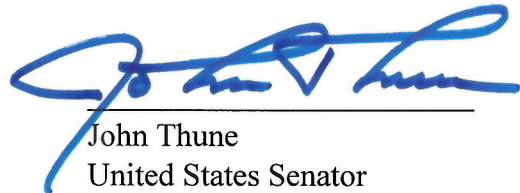
Mike Crapo  
United States Senator



Pat Roberts  
United States Senator



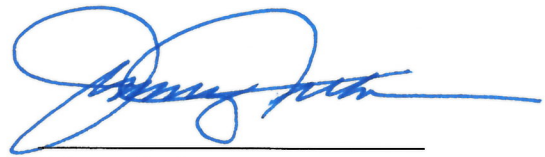
John Cornyn  
United States Senator



John Thune  
United States Senator



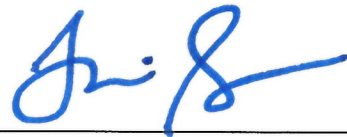
Richard Burr  
United States Senator



Johnny Isakson  
United States Senator



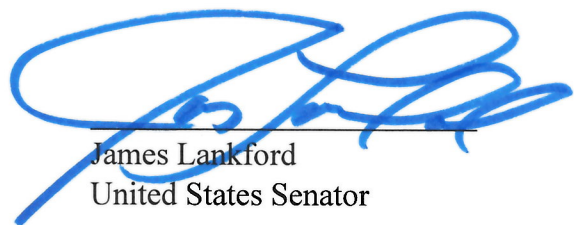
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Todd Young  
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