



June 20, 2018

Hon. Kevin Brady, Chairman
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

Hon. Richard Neal, Ranking Member
House Committee on Ways and Means
341 Cannon House Office Building
Washington, DC 20515

Dear Chairmen Brady and Ranking Member Neal:

Thank you for holding tomorrow's markup on H.R. 4952, a bill which directs the Secretary of Health and Human Services to conduct a study and submit a report on the effects of the inclusion of quality increases in the determination of blended benchmark amounts under part C of the Medicare program. We appreciate the continued support of the bill's sponsors, Rep. Mike Kelly and Rep. Ron Kind, as well as their leadership on this important issue affecting seniors and the quality of care they receive in the Medicare Advantage (MA) program.

We urge members of the committee to vote yes on this legislation.

ACHP members are non-profit health plans providing coverage and care for more than 21 million Americans in 32 states and the District of Columbia in all lines of business, including Medicare Advantage. They are deeply invested in their communities and consistently lead government and private ratings on quality and customer service. Member plans have served their communities for decades and, as non-profit organizations, do not enter or exit markets based solely on financial considerations. Plans are characterized by close relationships with providers either through integrated delivery systems or carefully managed networks.

In 2018, we estimate 11.3 million seniors are missing out on the reduced premiums or increased services which must be returned to them when quality bonus payments are issued to the highest performing 4- and 5-star MA plans. If corrected, ACHP member plans would be able to offer additional or enhanced benefits such as dental, hearing and vision services. One of our members, Security Health Plan, part of the Marshfield Clinic in Wisconsin, could reduce its monthly MA premium by \$25 per month.

All told, these 11.3 million seniors are missing out on \$821 million of reduced premiums or increased benefits in 2018. Because ACHP member plans are among the highest scoring in the nation, their beneficiaries are disproportionately impacted by the current calculation. Nearly a quarter of the missing benefits, or \$170 million of the total, is for the 2.5 million seniors enrolled in ACHP member MA plans.

Medicare Advantage enrollment has grown 71 percent since 2010 and is expected to increase to 41 percent of all Medicare beneficiaries by 2027. Properly incentivizing the highest quality MA plans – and rewarding

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seniors who choose them – is one of the best ways possible to continue Medicare’s transition to value based care.

In addition to the bill being marked up tomorrow, there is a bipartisan measure, H.R. 908, also introduced by Reps. Kelly and Kind, which seeks to resolve this issue permanently and allow MA beneficiaries to be served the way Congress intended.

ACHP member plans have been healthcare quality leaders for years, and we have the results to show for it, including better performance than our competitors in key categories:

- ✓ 14.7 percent better at controlling high blood pressure
- ✓ 22.6 percent better at diabetes care blood sugar control
- ✓ 8.5 percent better at preventive screenings

ACHP plans are the leaders in Medicare Star Ratings – 97 percent of seniors enrolled in ACHP member Medicare Advantage plans benefit from the care delivered by 4, 4.5 and 5-star rated plans. This is in contrast to non-ACHP member plans which enroll just 72 percent of MA beneficiaries in plans at or above 4 stars.

Again, we appreciate and support the Committee’s consideration of H.R. 4952 and look forward to working with Members to find a permanent solution to better incentivizing quality for seniors in the Medicare Advantage program.

Sincerely,

A handwritten signature in cursive script that reads "Ceci Connolly".

Ceci Connolly
President and CEO