

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

March 14, 2023

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Secretary Becerra and Administrator Brooks-LaSure:

Medicare Advantage (MA) plays a critical role in providing affordable, high-quality health care to tens of millions of older Americans and people living with disabilities. MA's market-based design and innovative benefit offerings have driven robust enrollment, soaring beneficiary satisfaction rates,¹ and superior health outcomes.² By prioritizing consumer choice and competition, MA also affords seniors cost-effective access to a broad and growing array of extra benefits not available under traditional Medicare, from in-home support services to eye exams.³ That said, several of the policy changes proposed in the Calendar Year (CY) 2024 Advance Notice for Medicare Advantage risk undermining some of these vital advances, particularly if implemented immediately. As the Centers for Medicare and Medicaid Services (CMS) considers options for moving forward on proposed risk adjustment modifications and other policy shifts for MA, we encourage the agency to take steps to maintain program stability, protect beneficiaries from potential disruptions, mitigate unfavorable impacts for seniors, and provide policymakers with transparency and clarity regarding CMS's decision-making processes.

For more than 25 years, MA has enabled Medicare beneficiaries to select health plans that best suit their budget and health needs. As we continue working to strengthen the program, we should focus our efforts on advancing care quality, efficiency, affordability and patient choice. While we understand, and in some cases support, the intent of the proposed changes, we are concerned that certain reforms included in the CY 2024 Advance Notice stray from these core priorities. Some of the proposal's modifications to risk adjustment, for example, could trigger severe and unintended consequences for seniors. Given the complexity of the policy changes in question, the swift enactment of these reforms could spur confusion and uncertainty among health care providers and plans. A recent Avalere analysis projected that the proposals would result in an average premium increase or supplemental benefit reduction of roughly \$45 per-

¹https://bettermedicarealliance.org/publication/poll_a_bipartisan_majority_of_seniors_on_medicare_advantage_are_satisfied_with_their_coverage/

²https://bettermedicarealliance.org/wp-content/uploads/2020/03/BMA_Avalere_MA_vs_FFS_Medicare_Report_0.pdf

³<https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2022-premiums-out-of-pocket-limits-cost-sharing-supplemental-benefits-prior-authorization-and-star-ratings/>

member-per-month, straining seniors' finances and limiting access to care.⁴ Dozens of health care provider groups, consumer advocates, labor unions, and health plans have echoed these concerns, urging CMS to reconsider the proposed policies and to engage in robust stakeholder consultation before moving forward with major risk adjustment modifications in the future.⁵

While we support the Administration's objective to protect taxpayer dollars by improving the accuracy of risk adjustment in MA, we are concerned that the proposed implementation timeline could lead to harmful effects for seniors.

We ask the Administration to avoid disruptions in care and sudden premium increases. We also request additional information on the decision-making processes underlying the CY 2024 Advance Notice for Medicare Advantage by responding to the following questions.

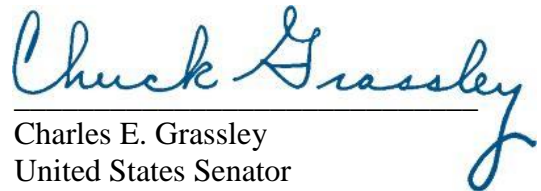
- Did CMS conduct an impact analysis to determine how the proposed changes would affect beneficiaries, including with respect to projected premiums and supplemental benefit offerings?
- The Advance Notice does not disclose how CMS calculated the MA risk score trend at 3.30 percent. Can you provide the methodology and any relative considerations used when calculating that figure?
- Did CMS consider the proposed changes to the risk adjustment model when calculating the MA risk score trend? If so, what effect did the changes have?
- In the Advance Notice, CMS proposes to update the denominator year from 2015 to 2020 in order to predict expenditures for future years. Did CMS consider the impact that the COVID-19 pandemic had on health expenditures spending and whether that may not be representative of normal health expenditures? If so, were there any adjustments made in the calculations in order to better predict future expenditures?
- CMS has proposed eliminating over 2,300 diagnosis codes, including many categories that overwhelmingly impact low-income and minority patient populations. Can you provide further detail on how CMS determined which codes to eliminate from the program and whether or not provider input was included in the methodology?

Thank you for your attention to these matters as we continue our partnership and work to ensure patients who select a Medicare Advantage plan maintain access to high-quality, affordable and dependable care. We look forward to your reply.

Sincerely,



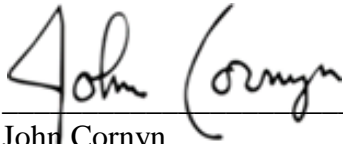
Mike Crapo
United States Senator



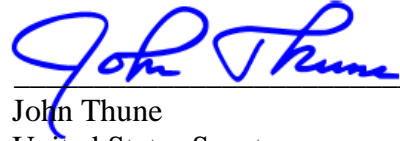
Charles E. Grassley
United States Senator

⁴ <https://avalere.com/insights/proposed-ma-plan-payment-changes-may-impact-premiums-and-benefits>

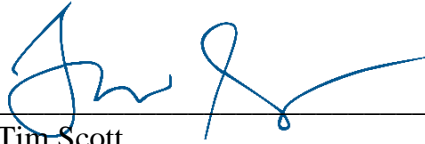
⁵ <https://bettermedicarealliance.org/wp-content/uploads/2023/03/Advance-Notice-Letter-3.1.pdf>



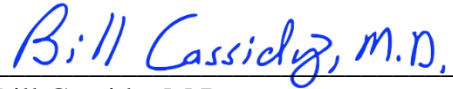
John Cornyn
United States Senator



John Thune
United States Senator



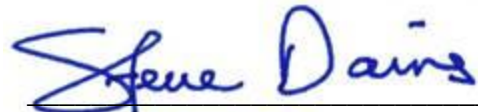
Tim Scott
United States Senator



Bill Cassidy, M.D.
United States Senator



James Lankford
United States Senator



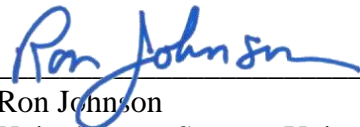
Steve Daines
United States Senator



Todd Young
United States Senator



John Barrasso, M.D.
United States Senator



Ron Johnson
United States Senator United



Thom Tillis
United States Senator



Marsha Blackburn
United States Senator