

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

February 15, 2016

Andrew Slavitt  
Acting Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
200 Independence Avenue, S.W., Room 445-G  
Washington, D.C. 20201

Dear Acting Administrator Slavitt:

As CMS develops the 2017 Advance Notice and Draft Call Letter for Medicare Advantage and Part D, we ask that you establish payment and regulatory policies for 2017 that avoid further payment cuts to the program, maintain stable coverage options for beneficiaries, and support innovations that are crucial to meeting the health care needs of 17 million seniors and individuals with disabilities.

Every day we hear from seniors in our districts who benefit significantly from the innovative, coordinated care they receive through their Medicare Advantage plan. These personal stories reinforce seniors' overwhelming satisfaction with the program, their coverage, and the services their plans provide.<sup>1</sup> Medicare Advantage makes a difference in the health and quality of life for millions of beneficiaries across the country.

Medicare Advantage plans have a long history of focusing on prevention and early detection of chronic diseases as part of a patient-centered approach to care. MA's clinical models, such as in-home primary care visits, result in improved outcomes for seniors every day. Independent research findings show that Medicare Advantage enrollees have reduced length of hospital stays<sup>2</sup> and lower incidence of emergency services and hip and knee replacements in accordance with national guidelines when compared to beneficiaries in the traditional Medicare program.<sup>3</sup>

This coordinated approach to care is responsible for improvements across the health system and is a powerful example of how to move away from episodic, fee-for-service toward high quality, value-based care. Recent research shows that Medicare Advantage plans' care coordination efforts "spill over" into the fee-for-service Medicare program,

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<sup>1</sup> *National Survey on Medicare Plan Satisfaction*, found at <http://morningconsult.com/polls/national-seniors-poll-medicare-plan-satisfaction/>

<sup>2</sup> Agency for Healthcare Research and Quality Healthcare Cost and Utilization Project "Statistical Brief # 198: Hospital Stays in Medicare Advantage Versus the Traditional Medicare Fee-for-Service Program, 2013." December 2015.

<sup>3</sup> Ayanian, John Z. Landon, Bruce E. Newhouse, Joseph P. et. al. Analysis of Medicare Advantage HMOs Compared with Traditional Medicare Shows Lower Use of Many Services During 2003-09. *Health Affairs* 31 No. 12: 1-9. December 2012.

leading to reductions in preventable hospitalizations and other improvements in the value of care.<sup>4</sup> By continuing a strong and stable Medicare Advantage program, we can provide a platform for launching future reforms to improve health care quality for all Americans.

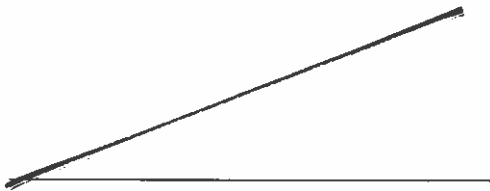
Medicare Advantage plans also provide a critical health care safety net for millions of beneficiaries with low incomes or complex health needs. Approximately 37 percent of Medicare beneficiaries who choose Medicare Advantage have annual incomes of \$20,000 or less.<sup>5</sup> To address the needs of these financially vulnerable individuals – as well as those who have multiple chronic conditions or complex needs – Medicare Advantage plans have developed specific programs to help support enrollees with their treatment regimens. Medicare Advantage plans also cap the out-of-pocket costs paid by their enrollees, protecting them from high costs that might otherwise threaten their financial security, and they improve their quality of life by providing additional benefits, such as vision and hearing services, that are not covered under the Medicare fee-for-service program.

Looking to the future, we believe it is critically important to preserve the Medicare Advantage program as a model for modernizing the Medicare program as a whole. To advance this effort, we strongly urge you to ensure no cuts to the Medicare Advantage program and establish payment and regulatory policies that promote stability and preserve health plan choices for Medicare beneficiaries who are counting on the Administration and Congress to protect their Medicare Advantage coverage.

Sincerely,


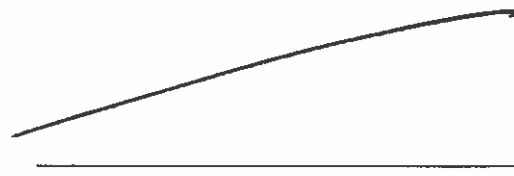
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<sup>4</sup> Baicker, Katherine, Chernew, Michael, Robbins, Jacob. The spillover effects of Medicare managed care: Medicare Advantage and hospital utilization. *Journal of Health Economics* Vol. 32 1289-1300. September 2013.

<sup>5</sup> America's Health Insurance Plans Center for Health Policy and Research, "Medicare Advantage Demographics Report" (February 2015).

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