March 4, 2016

The Honorable Sylvia Burwell
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Burwell:

On behalf of the undersigned employer groups, we want to express our strong opposition to the 2017 Medicare Advantage (MA) Advance Notice’s proposed change to the payment methodology for MA Retiree Coverage, also called MA Employer Group Waiver Plans (EGWPs).

The proposed change will amount to a nearly 3% cut that puts at risk health care stability and access for over 3.3 million beneficiaries that are enrolled in MA Retiree Coverage. A recent Milliman report concluded that CMS’ proposal will result in a nationwide cut of $19 - $22 per member per month or $228-$264 per member annually.¹ A cut of this magnitude could result in loss of benefits, increased out of pocket costs, and a reduction in provider access.

Employers providing MA Retiree Coverage to their workforce choose this benefit because it provides high quality care and additional services and benefits not available in Fee-for-Service that work to fill in gaps in care. MA Retiree Coverage allows employers to provide more comprehensive benefits, and care coordination and disease management programs.

Employers and retirees benefit from these high-performing plans. According to CMS, over 92% of MA Retiree Coverage beneficiaries are in high performing plans achieving 4+ stars in the CMS Star Ratings System.² Further, MA Retiree Coverage provides comprehensive coverage with out-of-pocket cost protections and prescription drug benefits through Part D often at no additional cost to America’s seniors.

CMS’ proposal for MA Retiree Coverage will harm the viability of these plans and ultimately hurt retirees by increasing premiums, reducing benefits, and limiting provider access. CMS has the authority to help employers all over the country provide high quality, innovative, and coordinated care to their valued retirees. Respectfully, we

¹ Employer Group Waiver plans Financial Impact Based on the 2017 Advance Notice Summary, Milliman, Inc. March 2, 2016
ask that you ensure stability to the MA program and protect America’s retirees by eliminating this cut to MA Retiree Coverage in the 2017 Final Notice.

Sincerely,

American Benefits Council
Corporate Health Care Coalition
Council for Affordable Health Coverage
The ERISA Industry Committee
Healthcare Leadership Council
HR Policy Association
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Business Group on Health
National Retail Federation
Pacific Business Group on Health
U.S. Chamber of Commerce