DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

MAR 10 2014

The Honorable Patrick E. Murphy
U.S. House of Representatives
Washington, DC 20515

Dear Representative Murphy:

Thank you for your recent letter on our proposed rule on the Medicare Advantage (Part C) and Part D prescription drug program. We believe that both of these programs have proven to be successful. Beneficiary satisfaction remains high, quality of care is improving, and premium growth has remained low – in part, thanks to changes in the Affordable Care Act. Yet, we see many opportunities to improve the programs to promote greater transparency, to reduce fraud, to simplify the benefits for beneficiaries, and to reduce the costs to the program. To ensure that the Medicare program remains solvent and affordable for beneficiaries, we believe we need to continuously review the benefits and premiums.

The proposed rule included many important provisions related to the Medicare Part C and D prescription drug program. During the rule's comment period, we received numerous concerns about some elements of the proposal from members of Congress and stakeholders. In particular, we heard concerns about the proposals to lift the protected class definition on three drug classes, to set standards on Medicare Part D plans' requirements to participate in preferred pharmacy networks, to reduce the number of Part D plans a sponsor may offer, and clarifications to the non-interference provisions. Given the complexities of these issues and stakeholder input, we do not plan to finalize these proposals at this time. We will engage in further stakeholder input before advancing some or all of the changes in these areas in future years. That said, we plan to finalize proposals related to consumer protections (e.g., ensuring access to care during natural disasters), anti-fraud provisions that have bipartisan support (e.g., strengthening standards for prescribers of prescription drugs), and transparency (e.g., broadening the release of privacy-protected Part D data) after taking into consideration the comments received during the public comment period.

In addition, we are committed to continuing to work with Congress to continue to ensure that Parts C and D work best for Medicare beneficiaries while remaining affordable. We look forward to working with you through our future rulemaking process and pledge our assistance as Congress considers any adjustments to these programs.

Sincerely,

Marilyn Tavenner

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